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ABSTRACT

Continuing erosion of the structure of low-income families perpetuates a vicious cycle of moral and economic troubles--poverty, drug and alcohol dependency, out-of-wedlock births, child and spouse abuse, juvenile delinquency, and crime--that feed on and create more impaired families. Accordingly, this report contends that the major portion of the funds expended in aid of low-income families should be earmarked for improving services to poor female-headed families, particularly those in which the mother bore children out of wedlock. Because these families are in the worst economic condition and experience disproportionately high levels of social problems, it is proposed that delivery of the myriad programs intended for these families be consolidated, with a focus on enhancing opportunities for self-sufficiency. After an introductory discussion of the eroding family and a critique of the fragmented welfare system, the report addresses the following topics: barriers to family self-sufficiency; current responses and resources; the emergence, guiding principles, governance, and future of family investment initiatives; and practical considerations for implementing the proposal, including eligibility issues, access and management, resource commitment, and political will. Appended are tables showing: (1) budgetary data for major antipoverty programs and their fiscal 1987 federal, state, and local spending; (2) antipoverty allocations by program and state for 20 programs compiled from Office of Management and Budget data; and (3) summary descriptions of the same 20 antipoverty programs. (TE)

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A Proper Inheritance

Investing in the Self-sufficiency of Poor Families

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July 1989

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A Proper Inheritance

Investing in
the Self-sufficiency
of Poor Families

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Shoring Up The Poor Family

Strengthening the structure of families is—or should be—a central concern of American social welfare policy. Continued erosion of this structure perpetuates a vicious cycle of moral and economic troubles that feed on and create more impaired families. Poverty, drug and alcohol dependency, out-of-wedlock births, child and spouse abuse, juvenile delinquency and crime all are related in large measure to cracks and breaks in the family framework. Each of these social ills, in turn, breaks down families even further. In the economic realm, low productivity at work and difficulty in finding or keeping a job are, in part, consequences of the family's failure to fulfill its once familiar roles.

Two central assumptions underlie this report. First, the current Congress is not likely to appropriate significant new funds in aid of the poor. Second, more can be achieved with existing resources. Given these assumptions, and recognizing that only a portion of the poor can be adequately served by social programs in the near future, determining who should receive priority for assistance requires difficult choices.

We conclude that a major portion of the funds expended in aid of low income families should be earmarked for improving services to poor female-headed families, particularly those in which the mother bore children out of wedlock. These families are in the worst economic condition and experience disproportionately high levels of social problems. We propose that delivery of the myriad programs intended for these families be consolidated, with a focus on enhancing opportunities for self-sufficiency.

Current efforts designed to assist the "single parent family" ignore the fact that families begin with two parents, whether or not both remain in the home. Reflecting our commitment to shoring up the structure of poor families, this proposal, which we refer to as the *family investment initiative*, attempts to address the needs of all family members, absent and present. Recognizing the difficulty of maintaining self-sufficiency and a stable family life with only one adult present, the need for continued outreach, support and targeting to the absent male is crucial. We anticipate that the lessons learned from the implementation of this proposal would increase the efficiency and effectiveness of existing programs and lead to self-sufficiency of families in need.

The Eroding Family

The family is the primary institution upon which we have historically depended to socialize the young; to prepare them for self-sufficiency and community contribution; and to enable them to become in turn effective parents, trainers and inspirers of the generations to come. Yet the family has suffered a dramatic deterioration in the past quarter century. The other social institutions—government assistance programs, churches, schools, social clubs, and private social service agencies—have attempted to supplement and support the family, but have been hard put to repair the cracks in the family structure. The awesome task of renovating the deteriorating family structure is beyond their separate capabilities.

Social problems are not the exclusive property of any particular socioeconomic class or grouping: drug and alcohol abuse, criminality, impaired and broken family relationships know no economic boundaries. Nevertheless, at no point in the social structure do the full range of these and other maladies have the compounded impact they have on the low income family. A high or moderate income household may experience one or more social ills but rarely all of them at once. Such families also are more likely to have access to external help and the resources to pay for it.

Social ills tend to be interactive, particularly among families at the bottom of the income scale. Growing up poor often leads to inadequate education, poor health, lack of self-esteem, deficient motivation, and absence of salable skills. Each of these difficulties in turn contributes to further deprivation. Longterm poverty usually forces a family to endure inadequate housing in neighborhoods with poor schools, deleterious peer pressure, and inadequate employment opportunities—conditions which reinforce indigence and all too often transmit it to the next generation.

Poverty exists among all types of families, but it is most common and persistent where the father does not reside in the household. Economist David Ellwood estimated that two thirds of children who spent some time in a female headed family lived in poverty for at least a portion of that time. When poor single parent families result from divorce, the impoverishment of mother and children generally takes place as the father's standard of living increases. Fathers, mothers, and children all face desolate economic prospects in many families formed through out-of-wedlock birth, and these families remain poor for the longest periods. More than half of children who never lived with their fathers spent virtually their entire early childhoods in poverty. These families, and the fathers who abandon them (either willfully or as a by-product of social policies), comprise a major component of what some view as an increasingly permanent underclass, which may in the long run threaten the stability of American society.

■ A Fragmented Welfare System

Family erosion, and the social ills that accompany it, is new only in its magnitude. In the 1960s a renewed awareness of poverty, discrimination, and inequality pricked the American conscience. But a consensus supporting social intervention was short-lived. The resources allocated were never equal to the challenge, even at the height of government concern for the poor. Slowed productivity, sluggish economic growth, and a changed political climate dampened enthusiasm for social experimentation culminating in the federal government cutting the real budgets of many social efforts, but few antipoverty programs were completely abandoned. Training and housing programs have been especially underfinanced during the 1980s. Nevertheless, in 1988 the federal government invested over $100 billion for programs in aid of the poor and more billions for programs which, though not limited to the poor, could be used on their behalf.

That American society has not given up on aiding the poor is the genesis of this report. The year 1988 may have marked the end of seven lean years in social program expenditures. Congress passed, and President Reagan signed into law, two measures which directly address the needs of poor families: a welfare reform bill (the Family Support Act) and continued funding of programs for the homeless. Additional legislation that may aid low-income families includes the expansion of medicare to cover catastrophic medical expenses, the federal anti-drug law, and a requirement that companies provide workers with advance notice of layoffs or plant shutdowns coupled with authorized funds to retrain the workers. Altogether these new laws carry a potential multibillion dollar price tag. In addition, President Bush in his first budget message proposed modest family related initiatives.

A full-fledged agenda for poor families will require newly committed resources. Yet a review of current antipoverty programs reveals that more could be accomplished with what is already available. Present assistance programs comprise a fragmented and often counterproductive approach to the needs of the impoverished, characterized by conflicting goals, redundancy, gaps, and jealously guarded institutional turfs.

Income maintenance programs, for the most part, focus on families. However social interventions designed to reduce social malfunction and enhance self-sufficiency typically address the needs of individuals. Job training, health, and housing programs do not take into consideration the family

disintegration which all too frequently lies at the heart of difficulties faced by individuals. Although policymakers increasingly recognize the centrality of family needs, they remain bound by the structures and strictures of existing programs. As a result day care, elder care, foster care, parental leave, child abuse, spouse abuse, substance abuse, crime, educational shortcomings, and health care challenges are addressed in a piecemeal fashion, rather than as parts of a coherent whole.

The maze of programs is formidable. A 1986 White House report identified 59 "major public assistance programs," 31 "other low income grant programs" and 11 "low income loan programs." Two years later the Congressional Research Service listed 73 antipoverty programs. Eighteen congressional committees authorize and appropriate funds for these programs, and 12 federal departments administer them. Most programs have administrative counterparts at the state and local level, each with its own eligibility rules and distribution formula. As detailed in this report, a low income family in one county with a population of roughly half a million would have to apply to 18 separate organizations to reach all the different sources of assistance for which its members were eligible. As the White House report, cited above, concluded:

> Each program began with its own rationale, representing the intent of public officials to address a perceived need. But when the programs are considered as a system they amount to a tangle of purposes, rules, agencies and effects. . . *As a system, they constitute a confusing cacophony.* (emphasis supplied)

■ Investing in Poor Families

It is our conviction and contention that added resources are needed to achieve a comprehensive effort aimed at achieving self-sufficiency for persistently poor families. We believe, however, that relatively modest reforms in legislation, regulation, and administrative practice could lead to greater returns using existing resources. We believe that addressing the needs of the poor (and near-poor) as members of families, rather than as individuals, can vastly improve their chances of achieving and maintaining self-sufficiency. Limited aid may be necessary to help the temporary poor to overcome a specific problem; the persistently poor require broader assistance with their multiple problems to achieve self-sufficiency. We call such an approach a family investment initiative.

Seven points form the basis for the family investment initiative. They are:

- Poverty in the United States is an intransigent problem, but most of those who suffer it are not permanently poor.
- In addition to the hard core of persistently poor families, many more high risk families are in danger of joining an underclass in the absence of preventive measures.
- Multiple problems beset both of these family groups. Their poverty contributes to, and is aggravated by, a myriad of social ills.
- Adjusted for inflation, outlays in aid of the poor per eligible person have fallen during the 1980s. Nevertheless the total allocation for programs that aid the poor constitutes a substantial proportion of public resources.
- Because present resources will allow social programs to serve only a fraction of the number eligible, priorities must be established.
- Though more funds are needed and could be used to good advantage, appreciable increases are unlikely in the current political and economic situation. Hence it is essential to get the maximum return from each dollar expended.
- The delivery system for the full range of programs involved is so fragmented that few families obtain all the assistance to which they are entitled, and virtually no one does so in a reinforcing pattern tailored to self-sufficiency needs.

Not anticipating significant added resources by the current Congress, we advocate a family initiative that focuses on restructuring and integrating the delivery

system. The reforms would encompass the following major administrative thrusts:

- A congressional family policy committee, made up of one member from each major Senate and House committee which has jurisdiction over programs that authorize or provide cash assistance and self-sufficiency development to low income families.
- Congressional determination of funds from each program that state governors can assign to the family investment initiative.
- A family investment committee within the Executive Office of the President to identify and eliminate regulations that prevent the coordination of programs, and to oversee pilot projects to demonstrate the effectiveness of the family investment initiative.
- A policy board within each state, appointed by the governor and including heads of all state agencies that provide income maintenance, education, training, placement, health care, and housing services for low income families; representatives of major employer associations, employee organizations, and community groups; beneficiaries of the various assistance programs; and the general public. This board would assume the responsibilities of all similar organizations with current authority for individual programs.
- Policy boards of parallel makeup and authority to plan for and direct the family investment initiative at the local level.
- Common sources of intake, eligibility determination, and assessment for all income maintenance, education, training, health, and housing services to those with low incomes.
- Family investment centers in each community and major public housing complex, in which family investment managers could meet with all of the members of each eligible low income family to:
  - analyze the obstacles to self-sufficiency confronted by each potentially employable family member;
  - reach an agreement with the family on a package of services tailored to those needs;
  - negotiate a social contract through which each family member would commit to achieve the objectives necessary to end his or her obstacles to family self-sufficiency;
  - commit the resources necessary to fulfill the public side of that social contract;
  - use the authority vested in the center to provide the family members, whether on or off site, the committed services; and
  - oversee and monitor each case to assure delivery of quality services and family fulfillment of its commitments.

The family investment initiative could serve as a cohesive theme, joining many pressing social issues and assisting the most vulnerable sector of the population to pass on to its children a proper inheritance.

Rather than await the legislation and indicated reorganization necessary to implement the proposed reforms, President Bush should immediately press forward, pooling available discretionary funds to undertake pilot projects that would demonstrate the processes and potential of the family investment initiative. One hundred million dollars would be sufficient to implement 20 pilot projects, 10 in inner city housing projects and 10 in other communities with high concentrations of impoverished families. More time would be necessary to get family investment centers under way on a broader basis. Meanwhile the 20 pilot sites would be uncovering, confronting and resolving obstacles, and experimenting with measures that could guide a broader effort. An ongoing evaluation of the 20 projects would provide models that would help communities to adopt programs most suitable for their needs.

■ An Affordable Goal

Based on the experience and rigorous evaluation of the 20 pilot projects, the family investment initiative program can be successfully implemented on a broad scale without major additional funds. If Congress decides to appropriate additional money for the initiative, the funds should be allocated to employment and housing assistance, with a predetermined proportion devoted to added innovative demonstration projects, research and technical assistance. Promoting self-sufficiency can also be enhanced without increased appropriations by

restoring the minimum wage to the real value it held in the 1960s.

Overconfidence is bad but undue pessimism is worse. Contrary to popular images, poverty or welfare dependence is rarely lifelong or intergenerational. Only one in five poor children is also poor as an adult.[1] A quarter of the entire population was poor at at least one year during the 1970s but only about 2 percent remained poor throughout the entire decade.[2] Thus the attainment of self-sufficiency is a normal transition, at least in the long run. The challenge is to expand opportunities to achieve what most already accomplish, and to ease the transition process.

Persistently poor families or families facing a high risk of dropping into poverty are the targets of the family investment initiative. A total of 12 million people in 4 million families, most of them headed by a single parent, spent eight or more years of the decade within 125 percent of the federal poverty guideline. Only 7.6 percent of all children—a total of 4.8 million—accounted for one half of all of the poverty suffered by children.[3] Though the proportions are small, the absolute numbers are not; but the very fact that the number is relatively small makes the situation remediable, even with scarce resources. This is the population that the family investment initiative is designed to aid through a consolidated attack on its multiple interacting problems.

The case for a family investment approach is persuasive. The current system involves substantial waste, is fragmented and does little to assist most of the poor to achieve self-sufficiency. By attacking family problems in an integrated fashion, the proposed system could also encourage preventive measures. The Committee for Economic Development, which consists of some 225 business executives and a sprinkling of major university presidents, concluded that "Every $1 spent on early prevention and intervention can save $4.75 in the costs of remedial education, welfare and crime further down the road."[4]

The erosion of the American family structure is pervasive, but it affects the poor more than affluent families and generates a need for new institutional supports that would shore up the family. President Bush has proposed several initiatives and many more are being considered by Congress. A variety of interest groups have put forth numerous proposals, including child care, parental leave, expansion of health insurance, a higher minimum wage, tougher child support enforcement, dropout prevention, and the recently enacted reform of welfare to address the threats that a weakening of the American family present to the stability of American society. The family investment initiative could join many of these issues and assist the nation's most vulnerable sector in achieving self-sufficiency.

These are only the high points. Chapter 1 documents the complex interactions among family breakdown, poverty, and the multiple difficulties common to many poor families. Chapter 2 describes the current fragmented responses and inventories the resources available for a more integrated attack on the low income family's multiple problems. Chapter 3 traces an emerging family oriented consensus and identifies the guiding principles of the solution we advocate, illustrating their application in three real life settings. Chapter 4 summarizes our recommendations and indicates the steps necessary to implement a family investment initiative as the central thrust of an attack on the most pressing and festering social ills of the day. The appendix tables contain funding levels and descriptions of the major antipoverty initiatives and state by state funding allocations based on different estimates.

ENDNOTES

1. Patricia Ruggles and William P. Marton, *Measuring the Size and Characteristics of the Underclass*, Washington: Urban Institute, 1986, p. 47.
2. Greg Duncan, et al., *Years of Poverty, Years of Plenty*, Ann Arbor, University of Michigan Survey Research Center, 1984, p. 41.
3. David Ellwood, *Divide and Conquer*, New York: Basic Books, 1988, p. 6.
4. Committee for Economic Development, *Children in Need*, Washington: CED, 1987, p. 15.

1 Barriers to Family Self-Sufficiency

Of all the social ills impinging upon the American family, the most persistent and the most likely to contribute to other family maladies is poverty. Poverty in the United States dropped dramatically in the 1960s, then stabilized in the 1970s, but rose again during the past decade.

Sluggish productivity growth since the early 1970s, rising inflation, and declining real per capita federal expenditure in aid of the poor since 1981 have contributed to recent increases in the incidence of poverty. With the pie barely growing, what was given to one had to be taken from another. It is not surprising that enthusiasm for social reform subsided noticeably, with predictable political consequences.

Despite that loss of momentum, however, the price tag of cash and in-kind antipoverty efforts in 1987 amounted to $159 billion. With continued pressure from federal deficits, policymakers intensified the search for ways to get better results from the available resources—more bang for the buck. Paradoxically, one source of such hope is the very factor which has made poverty more intransigent: the changing family structure among the poor.

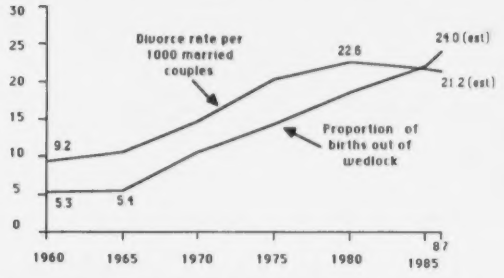
■ Family Structure and Poverty

In 1960 two parent families accounted for 70 percent of all poor families with children, compared to slightly over a third in 1987. The erosion of the family structure is the major culprit accounting for the growth of poverty. Single mothers and their children always have stood a much greater risk of impoverishment than other families, and their number has grown steadily in recent decades. In 1987, 3.3 million poor single mothers headed three fifths of all poor families with children.

Skyrocketing divorce and out-of-wedlock birth rates account for the disturbing increase in female headed families (figure 1). Divorce rates peaked in 1979, but show no sign of a significant decline. (The 63 percent increase in cohabitation may explain partly the decline in divorces. As Groucho Marx said, "Marriage is the chief cause of divorce.") If the present pattern continues, almost two of three new marriages will dissolve. Out-of-wedlock birth rates now account for nearly one of four births. The prevalence of divorce and out-of-wedlock births portends that almost 60 percent of all children—and nine of ten black children—will spend some time in a single parent family before reaching adulthood.

Single parent families headed by women are not only six times as likely to be poor as two parent families, but their deprivation is also more severe and enduring. A fifth of the children born in the late 1960s or early 1970s who spent their first decade in a two parent family were poor during at least one year; most had escaped poverty within three years. The poverty of single parent families was more persistent. Two thirds of children raised only by their mother were poor for almost half of their first decade.[1] The increasing number of female headed families and never married women raising families threatens further disintegration of families living in poverty and the emergence of an intergenerational underclass in American society.

FIGURE 1. Divorce and out-of-wedlock birth rates have risen dramatically since the 1960s.



Source: U.S. National Center for Health Statistics

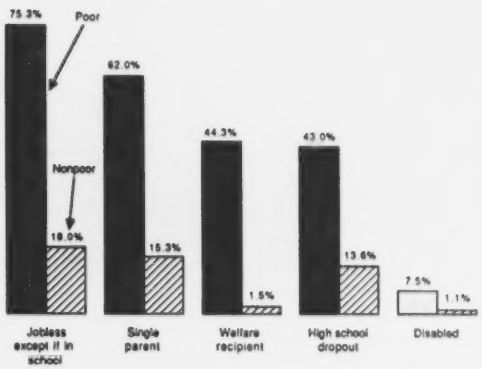
Multiple Problems

The poor tend to suffer more than their share of most social ills—family break-up, teen pregnancies, inadequate housing, ill health, drug and alcohol abuse, child and spouse abuse, juvenile deliquency, and involvement as either victims or perpetrators of crime. Female headed families are even more likely than other poor families to be deluged with such problems.

Data on these multiple debilities are limited. The Current Population Survey, released by the federal Bureau of Labor Statistics, is the single most important and timely source of relevant data. It includes information on employment, education, marital status, receipt of welfare, and illness or disability severe enough to prevent work. Other Bureau of Census surveys devoted to health, family violence, crime, and housing augment the Current Population Survey data on the multiple obstacles to efforts of the poor to attain economic independence.

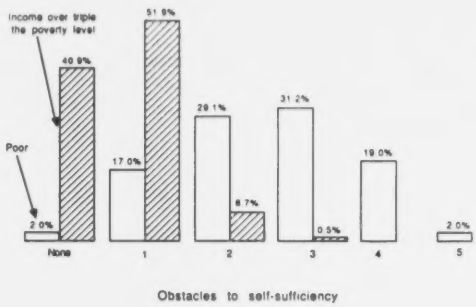
Multiple obstacles to self-sufficiency are more often the lot of impoverished family heads than their middle class counterparts (figure 2). For the poor, troubles come in bunches. A multiplicity of these ills afflict poor families; families with income at least three times the poverty line do not escape social problems, but they rarely experience them in combination. (figure 3).

FIGURE 2. The incidence of unemployment, deficient education, disability or single parenthood is much more common among the poor than middle class families.



Source: Unpublished data from the Current Population Survey provided by Andrew Sum, Northeastern University

FIGURE 3. If any proof were needed, the poor face many more obstacles to self-sufficiency than middle class families.



Source: Unpublished data from the Current Population Survey provided by Andrew Sum, Northeastern University

Single parent poor families are much more likely than two parent families to face multiple problems. More than three fourths of poor married couples face two or fewer problems, while over two thirds of single parents suffer three or more.

The interactions between being a single parent, being jobless, being poor, and being on welfare should be obvious, but it is worth noting the proportions. More than four of five poor single parents suffered at least one period of joblessness during 1986, and over three of five were on welfare. Their economic status also interacts with their education. Poor married parents generally face less severe difficulties than poor single parents, but they are not free of multiple barriers to self-sufficiency. The most common combined problems are:

	Married couple	*Single parent*
Jobless and less than a high school education	**29.9%**	**37.4%**
Jobless and on welfare	**13.7**	**58.1**
Jobless, less than a high school education, and on welfare	**7.8**	**27.4**

■ EDUCATION

The limited educational attainments of poor parents are often shared by their children. Failure to complete high school is strongly correlated with the socioeconomic status of the student's family and other family characteristics. Children from one parent or large families, and those whose parent or parents have low level jobs and limited educations are three to five times more at risk of not completing high school than students from middle class backgrounds. Failure to attain a high school diploma is highly correlated with low family income. Over a third of 14- to 17-year-olds who left school resided in families with an annual income of less than $10,000. Poor children are also much more at risk of being left back at least one grade from their age norm and are highly likely to leave school prior to graduation from high school.[2]

■ HOUSING

Inadequate housing is also the lot of the poor. Median shelter costs—including mortgages, real estate taxes, property insurance, rent, and utilities—account for about 15 percent of the average nonpoor household's income, compared to 60 percent for the poor (figures exclude households without income—9 percent of the poor—and those not paying cash rent—5 percent of the poor). The shelter of the poor frequently lacks adequate heating equipment, bathroom facilities, and safe electrical wiring. The poor are also less likely to own a phone, and more likely to have problems with rats or an accumulation of litter in the neighborhood.

	Poor	*Non-poor*
No telephone	**19.6%**	**5.4%**
Rat infestation	**13.9**	**3.7**
Major litter accumulation	**8.8**	**2.4**

■ HEALTH

Ill health is another burden borne disproportionately by the poor. The monthly population survey identifies only serious health impairments that prevent individuals from seeking employment or qualifying for a job. Nearly half a million poor parents reported they did not work at all in 1986 because of poor health. A Census Bureau survey found that functional limitations that impair seeing, hearing, speaking, lifting, and walking were much more common among low income individuals.

Physical, mental, or emotional disability	*Monthly income under $600*	*Monthly income over $3,000*
15 to 64-year-olds	**27.1%**	**8.5%**
Under 18 years old	**4.5**	**2.6**

A similar examination of AFDC families (the majority of poor single mothers receive AFDC) found that 28.8 percent of these families contained at least one member—usually the mother—with a functional limitation.[3] Hard data are not available, but it would be surprising if this were not true of mental health as well.

■ CRIME

The interaction between poverty and involvement in juvenile deliquency and crime is too well known to require documentation. In fact, much of the early research in the 1960s grew out of efforts to curb juvenile deliquency. The Job Corps was one significant response to the findings and has demonstrated that appropriate government programs can reduce criminal activity.

Surveys of inmates in state juvenile institutions (which house the more serious youthful criminal offenders) indicate a close connection between crime, family breakdown, drug abuse, and limited education. Seven of ten inmates grew up primarily in a household without two parents. More than 60 percent had used drugs regularly, and of those who had ever used drugs (80 percent), two out of five began before age 12. Of inmates over age 18 who remained in juvenile institutions, only 10 percent had a high school diploma. More than half of the inmates reported that another family member also had been incarcerated.[4]

The characteristics of adult prisoners indicate a clear connection between crime, inadequate education, low income, and alcohol and drug abuse.

	Local jail inmates (1986)	*State prisoners (1983)*
Total	**223,600**	**450,400**
Median age	**27**	**28**
Less than high school education	**59%**	**62%**
Employed at time of arrest	**53%**	**69%**
Used drugs at time of offense	**26%**	**35%**
Under the influence of alcohol at time of offense	**48%**	**37%**

Although a surprising number of inmates were working at the time of arrest, their limited incomes placed most of them in the ranks of the working poor.[5]

Prior to incarceration	*Local jail inmates (1983)*	*State prisoners (1986)*
Free at least one year—annual reported income under $10,000	**71%**	**60%**
Free less than one year—monthly income less than $1000	**81**	**69**

In fact, the average jail inmate in 1983 had only one third the average national per capita income during the year prior to incarceration.

■ FAMILY VIOLENCE, NEGLECT, AND DISCRIMINATION

Family violence data should be reviewed critically, recognizing that the battering of each other in well-to-do families is less likely to come to the attention of researchers than similar incidents among the poor. Nevertheless, reported data confirm that child and spouse abuse and other family violence occurs more frequently in low income families.[6]

	Annual income under $6,000 (1975)	*Annual income over $20,000 (1975)*
Child abuse	**22%**	**11%**
Spouse abuse	**15**	**3**

Child neglect is even more closely related to poverty and single parenthood, regardless of intent. About 200,000 cases of child neglect are serious enough to be referred to court each year, the bulk of them from low income homes.

Discrimination is a barrier to good jobs, adequate housing, and attainment of basic competencies needed for sustained employment. Poor families are more likely than the nonpoor to face discrimination because a relatively high proportion are female or of minority status.

	All families	*Poor families*
Blacks	**14.3%**	**32.9%**
Hispanics [1986]	**9.1**	**17.2**

■ Toward A Family Approach

The multiplicity of problems faced by poor families is not coincidental. A teenager who has a child will rarely obtain enough income from her own earnings or from the father of her child to keep the family out of poverty. To care for her infant she will likely quit school and abandon, at least temporarily, any chances for further formal education, which will reduce her earning potential even more. If she sets up her own household (an option that the 1988 welfare reform act attempts to foreclose) she will likely receive welfare, and may well become dependent upon it for many years and have more out-of-wedlock children. Her problems may be visited upon her children, who are unlikely to receive adequate prenatal care and may suffer consequent health deficiencies.

If the child is a girl, she stands a greater chance of becoming a teenage single mother herself; if a boy, he is likely to sire children without supporting them. Even if the young mother gets married, chances are high that the marriage will not last, or that lack of skills and added children will keep the family in sustained poverty. The family will be forced by financial circumstances into dilapidated housing in an area where jobs are hard to find; pay is low; schools are least effective; and substance abuse, juvenile deliquency, and crime are most prevalent.

Thus the interaction—poverty subjects the family to diverse social ills and, conversely, every social ill impedes the family's chances of achieving self-sufficiency. But the opposite ought to be equally true. The alleviation of each social ill ought to remove the obstacles that prevent families from escaping poverty. In fact, every step up the income scale increases the family's chances of overcoming the barriers that kept it mired in poverty. Preventing teenage pregnancy is likely to be associated with longer schooling and opportunities for better access to employment. Better housing facilitates exposure to positive peer pressures away from drug abuse, crime and other self destructive behavior. A parent's basic educational competency leads to a better chance at employment, which means improved income and perhaps health insurance and other benefits. Better health may contribute to steadier school attendance and enriched preparation for work. An educated parent would also provide a positive role model for children, encouraging them to complete school and enhancing their employment opportunities when they reach working age.

Society pays dearly in easily quantifiable terms for its neglect of poor families. Adolescent pregnancy alone carries an estimated annual price tag to the taxpayer of $16.7 billion in cash assistance, food stamps, and medical care—not to mention the negative longterm consequences of out-of-wedlock childbearing that are passed on to the next generation.[7] On the other hand, positive societal responses to the travails of the poor pay off. A congressional committee recently reinforced the earlier mentioned CED finding estimating that $1 in prenatal care saves $3 just in short-term hospital costs and a one dollar investment in preschool education yields a return of $6 through reduced costs of special education, public assistance, and crime.[8]

Poverty is a temporary experience for most families. The numerous problems faced by persistently poor families, however, provide a strong case for an approach which considers family needs holistically. For these multi-problem families, promoting self-sufficiency should be the top priority of any strategy. Inherent in this approach is a social contract. Income maintenance and supportive services are essential to open opportunities for the persistently poor, but low income families that benefit from the system have responsibilities as well. To qualify for the opportunities offered by targeted assistance programs, the poor in turn should be required to help themselves attain self-sufficiency.

Public policy and sound administration can help remove the barriers poor families face in their struggles to become self-supporting. Households are likely to respond slowly to legislative mandates, however, and established institutions rarely have displayed the alacrity to alter their practices in order to serve more effectively the needs of poor families. Designing and implementing institutional arrangements that would help shore up the structure of poor families represents a pressing challenge. Much can be done to overhaul current practices in ways that would strengthen impoverished families, even without added resources.

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2 Responses and Resources

Depending upon its resources and values, every advanced society has made some provision for its at-risk populations. Prior to the Great Depression, private and religious charities supplied compassion; public facilities the harsh subsistence. Assuming that public support would lead to indolence, society considered the attainment of self-sufficiency a personal responsibility. By the 1930s it had become obvious that an industrial society with a highly mobile workforce could not rely on charity or the extended family and neighbors to provide for the basic needs of the destitute. The maintenance of at least a minimum subsistence level became a public concern, with responsibility shared between national and local governments. That commitment has waxed and waned, but never disappeared.

Public policy responses have been as fragmented as the multiple problems confronting impoverished families. Policy objectives have fluctuated between the provision of subsistence and rehabilitation; the underlying philosophy has wavered among punishment, compassion, and hard-headed human resource investment, emphasizing in turn income support, in-kind services, preparation for employment, and the expansion of job opportunities. Whatever the target of the alternating programs, policy has generally focused upon the person in need as an individual rather than in a family context. The response has been a proliferation of programs, each attuned to a particular constituency and emerging political pressure, but none, alone or in aggregate, ever receiving resources commensurate with the aggregate need. Thus, resources have fluctuated from moderately inadequate to mere tokenism in terms of their ability to serve the populations declared eligible.

Even though the federal government has cut resources committed in aid of the poor, the progress of the 1960s and 1970s has not been significantly reversed in the 1980s. On the contrary, during the final year of the Reagan administration Congress authorized but did not appropriate $7 billion for new social welfare programs, signaling the apparent end of seven lean years on the social front.

The connection between social programs and family life emerged slowly. Federal involvement in family life was virtually taboo until the New Deal era, and each subsequent intervention has entailed heated and prolonged controversy. The original 1935 Social Security Act inaugurated retirement insurance for individuals; the addition of dependents' and survivors' benefits four years later made it a family program. Until 1961 the Aid to Dependent Children program assisted only single mothers. In that year Congress, concerned that this restriction induced fathers to abandon their families to make them eligible for assistance, allowed states to aid two parent families with unemployed breadwinners. As of 1988 only 27 states had taken advantage of this provision, but the 1988 welfare reform legislation (Family Support Act) requires all to do so by 1990.

Senator Daniel Patrick Moynihan's farsighted 1965 analysis, which called attention to the breakdown of black families, was castigated as racist by social scientists, who should have known better, and largely ignored by policymakers for two decades. President Richard Nixon favored a comprehensive overhaul of the welfare system, but he vetoed child care legislation in 1971 because it would favor "communal approaches to child rearing against the family-centered approach." Even effective federal enforcement of child support was rejected by President Gerald Ford in 1975 as "an undesirable and an unnecessary intrusion of the federal government into domestic relations."

President Jimmy Carter, in his 1976 campaign, was the first presidential candidate to champion a comprehensive family policy. "It is clear that the national government should have a strong pro-family policy," he argued, "but the fact is that our

government has no family policy, and that is the same thing as an anti-family policy." Candidate Carter promised to reform welfare programs, discourage family dissolution, strengthen child support enforcement, end the marriage tax penalty, bolster child care efforts, and require government agencies to issue family impact statements for proposed laws and regulations. However, the only measures he vigorously backed as president were an ultimately unsuccessful welfare reform proposal and a national conference on families. The latter was mired in controversy and ended in acrimony, demonstrating again the difficulty of transforming appealing slogans into broadly acceptable policies.

President Reagan's family policy rhetoric assumed a radically different thrust during the first half of the 1980s. He regarded federal intervention as the problem rather than part of the solution, and he flatly declared during the 1980 campaign, "Government is the single greatest cause of the erosion of the family." In contrast to Carter's recognition that the family was becoming increasingly pluralistic, President Reagan favored a Norman Rockwell nostalgic view. His administration inaugurated a program to minimize teenage out-of-wedlock births by stressing abstinence rather than devoting resources to sex education and birth control, and he supported adoption in place of abortion.

However, by 1987 the tide of public opinion had swung in favor of a more activist federal social policy role and the Reagan administration retreated from some of its earlier positions. The administration resurrected President Carter's idea of a family impact statement similar to required environmental impact statements. In 1988 President Reagan signed a multibillion dollar bill expanding medicare to insure eligible disabled and aged individuals against the catastrophic costs of an acute illness. During the course of his successful campaign President Bush proposed a $2.2 billion program of assistance to families with young children.

The popularity of family policy has resulted in a plethora of family related bills in Congress and state legislatures. After more than two decades of discussion, welfare reform that purports to change the program's focus from maintenance of dependency to economic self-sufficiency has become the law of the land. The question today is not, "Will there be a family policy?," but, "Will that policy consist of more than disparate programs of parental leave, education, job training, day care, and foster care?" Each is undoubtedly needed, but an integrated investment program that addresses a family's entire range of needs and prescribes a consolidated package of services is potentially more cost effective—a seamless fabric to cover the entire anatomy.

While Congress has been talking, a number of states have already acted on child care, child support, parental leave, health care, and other family issues. The advent of a new administration in 1989, coupled with a perceived need to bolster the quality and size of the American labor force, makes this a propitious time for a national commitment to develop the human and employment potential of persistently poor families. To do so effectively requires the establishment of new institutional arrangements to bolster the family structure and lead to self-sufficiency.

Our interest throughout this document is to examine and assess innovations which we believe could produce greater results from resources available for low income families. Before doing so, however, it will be useful to summarize the programs that comprise the existing worn and tattered safety net that is stretched to catch low income individuals, though not necessarily families.

■ The Policy Response

Perceptions of need and policy objectives have fluctuated over time. The perception (or hope) in the 1930s was that social insurance trust funds for unemployment compensation and old age and survivors' benefits would establish a nearly universal minimal support system. The exceptions would be the aged who had not had the opportunity to earn sufficient rights in the system; the blind or totally

disabled, who could not earn payroll tax credits; and the widows and orphans of those who died before they accumulated adequate benefits for their survivors. Congress therefore enacted old age assistance, aid to the blind and totally disabled, and aid to dependent children as a public assistance component of the Social Security Act of 1935. Although it was not explicitly articulated in the social security act, the nation had declared a minimum income to be a basic human right. Public housing after 1937 and veterans' housing after the second world war promoted the notion that adequate shelter was also a basic right, though resources were never sufficient to achieve it for all Americans. Veterans' programs and subsequently medicaid and medicare added health care to the welfare system.

In the 1960s the emphasis of welfare policy shifted, in the words of President John F. Kennedy, to "rehabilitation, not relief." The rhetoric of the antipoverty program focused on education, skill training and work experience for the employable poor. Congress increased the appropriation for vocational education, which had been around since the first world war, fivefold with portions earmarked for the disadvantaged and handicapped. The vocational rehabilitation program, dating from the 1920s, was also given augmented resources. Since a direct result of discrimination was income deprivation, the equal employment opportunity laws could also be considered as antipoverty legislation.

The architects of the antipoverty efforts recognized, however, that employment and earnings, even when reinforced by housing assistance and health care, left many below the poverty threshold. Accordingly, the Great Society added a variety of food and nutrition programs, with agricultural markets as well as the welfare of the poor in mind. Commitment to education as a route out of poverty, as well as concern for the rising costs of college education, led to a variety of grant and loan programs during the 1970s. Efforts to assist refugees also include antipoverty aspects.

By the close of the 1960s, the rising costs and growing complexity of federal social programs were becoming obvious, and improvements in program management moved to the front of the policy agenda. Halting attempts by Presidents Nixon and Carter to provide the poor with incentives to achieve economic independence never advanced beyond the talking stage. Instead coordination, consolidation and decentralization became watchwords. The immediate response in the early 1970s was to give states and local governments greater discretion in the delivery of services, with a goal of achieving more with the same or even reduced federal funds. This movement culminated in revenue sharing and block grants, which enabled local officials and state governors to design within broad parameters the services to be provided.

During the same period, public opinion became resistant to supporting the rapidly expanding numbers of female family heads and their children. AFDC was designed to enable single mothers to remain home with their children. As never-married mothers made up a growing portion of the welfare rolls, and a growing proportion of married mothers entered the workforce, the public began asking, "Why should we pay taxes so that unmarried and never married mothers can stay home?" Income maintenance continued to be acceptable for the aged and disabled, but not for able bodied, non-aged men and women, except during temporary bouts of unemployment. As assistance to the poor vacillated between meeting immediate needs and promoting self-sufficiency, the value of benefits (adjusted for inflation) continued to drop. Federal action in the early 1980s severely cut back federal antipoverty programs, although subsequent actions restored them somewhat.
The goals of the antipoverty efforts were ambitious and noble, but the federal budget provided only a fraction of the funds needed to implement the declared goals and the committed entitlements. Nevertheless, while the title and nature of some programs underwent radical changes over time, few were terminated.

Estimates of total expenditures in aid of the poor depend upon what is counted and who does the counting. A 1986 working group of the President's Domestic Policy Council identified 59 "major federal public assistance programs." It also listed 31

"other low income grant programs" and 11 "low income loan programs." The Congressional Research Service lists 73 antipoverty programs with an aggregate 1987 federal, state and local appropriations of $159 billion (Appendix Table 1). That amount represents a decline in federal and state expenditures per poor person (in 1987 dollars) from $4957 in 1980 to $4877 seven years later, with real federal per capita expenditures falling by 9 percent. In the same year, the cash income of the average poor family fell $4165 below the poverty threshold, a record since the Census Bureau began collecting such data. Also involved was a dramatic increase in inflation-driven Medicaid expenditures which offset decreases elsewhere in the total antipoverty package. Nevertheless $159 billion is a substantial amount of money in any setting. If fully funded, as appears unlikely under prevailing deficit pressures, the welfare reform, dislocated worker, drug education, and homeless legislation of late 1988 could add an additional $7 billion.

In addition to these programs that totally or predominately serve the poor, one might include an array of programs for which the poor are eligible and receive substantial amounts of assistance, although the clientele is primarily non-poor. These include old age, survivors, and disability insurance; medicare; unemployment insurance; various placement-related functions of the public employment service; vocational education; vocational rehabilitation; general education expenditures; drug and alcohol abuse programs; and mental health programs. For purposes of this analysis, we focus on 20 programs with current federal funding of $104.3 billion and $44 billion of state and local funds (Appendix Tables 2-3).

Social welfare programs have substantially reduced poverty. Education, employment, training, placement, and health programs have promoted self-sufficiency, while income and in-kind support has cut the poverty rate by a fourth, and the income gap by nearly 60 percent (table 1). Medical programs undoubtedly reduce poverty much further, although their contribution is difficult to gauge because many of the poor would forego or postpone treatment if they bore its full expense.

TABLE 1

Cash, food and housing assistance reduced the poverty rate of families with children by one-fourth (1986)

	All families with children			Married Couples			Single parents		
	Number (millions)	Poverty rate (%)	Poverty gap (1985 in billions)	Number (millions)	Poverty rate (%)	Poverty gap (1985 in billions)	Number (millions)	Poverty rate (%)	Poverty gap (1985 in billions)
Poor individuals									
Before transfers	26.1	19.5	$45.9	12.1	11.3	$15.7	14.1	51.4	$30.3
Plus social ins.	23.3	17.4	38.8	10.1	9.5	11.8	13.1	48.0	27.0
Plus cash welfare	22.1	16.5	27.1	9.6	9.0	9.3	12.5	45.6	17.8
Plus food and housing	19.6	14.6	18.7	8.7	8.2	7.3	10.9	39.7	11.5

■ Gaining Access

To gain access to potential sources of assistance, applicants must overcome formidable obstacles. The previously cited 1986 White House report was primarily concerned that substantial funds were ending up in the hands of those with incomes above the poverty threshold. The fact that some with income moderately above poverty receive help may be inevitable and perhaps justified. The evidence shows, however, that few programs serve all eligible poor families, let alone families slightly above the poverty line. A greater concern is the absence of a mechanism for attacking in a coherent fashion the multiple problems affecting low income families. It is for this reason and toward its amelioration that we document what the White House group dubbed a "confusing cacophony."

A few illustrations will suffice to indicate the fragmentation of efforts serving the same populations. AFDC recipients account for more than a fifth of participants in the Job Training Partnership Act's (JTPA) principal program, yet in the recent 1988 welfare reform legislation (Family Support Act) Congress established a separate training program for them. The Head Start program operates with no coordination between the Department of Health and Human Services, which administers it, and the Department of Education, although the purposes of the program are predominately educational.

Some types of assistance are provided in an extremely fragmented form. Three major programs and a host of smaller programs support child care, with the bulk of aid going to middle and upper income families. Similarly, medicaid, Title X of the Public Health Service Act, Title XX of the Social Security Act, and the maternal and child health services block grant all fund family planning services. Education assistance is delivered by all three levels of government as well as by the private sector through a plethora of programs.

Within this snarl of programs, each law has distinct eligibility criteria. Eligibility determinations constitute a large proportion of administrative costs and squander scarce money and personnel through needless duplication and eligibility checks. This fragmentation places a burden on clients, who spend inordinate amounts of time in waiting rooms or bouncing on and off the eligibility rolls, and who often find themselves unable to put together an integrated package of social and developmental services.

■ ADMINISTRATIVE ARRANGEMENTS

The tangle begins with the 18 congressional committees which identify problems and respond with authorizations and subsequently with appropriations. No single subcommittee, where legislation usually originates, nor even any full committee has exclusive jurisdiction over any one of the major areas of public assistance. Some committees have responsibility for programs serving the general population and others for specific target groups. It is a rare program which does not duplicate substantive provisions of other measures intended to aid the same populations. Federal funds flow from 12 executive departments and a multiplicity of federal bureaus and agencies to local delivery systems, which involve state offices of federal agencies, state agencies, local government entities and private organizations. Most state legislatures include federal dollars within their own budgets, in effect reappropriating those funds. In the face of reduced federal response to growing social problems, many states and localities have added their own modest appropriations and accompanying regulations. The funds are welcome, but they amplify the cacophony.

■ CASH ASSISTANCE

The dissonance is most intense at the level of the individual and the family. The largest means tested cash support program is aid to families with dependent children (AFDC). It is also the only federally supported cash assistance program for the poor directed to families rather than individuals. Eligibility requires that recipient families include a parent or other primary care taker and at least one child under 18

years of age. In 23 states there must not be a second parent unless that parent is disabled. These provisions will be modified by implementation of the 1988 welfare reform legislation, but until October 1990 it may still be necessary in these states for an unemployed, able-bodied male parent to abandon the family or hide before the family becomes eligible for AFDC. States set their own AFDC eligibility standards with no uniformity, then pay as little as 29 percent of their predetermined subsistence needs. The 1988 reform law requires parents with children age 3 and older (age 1 at state option) to participate in efforts at employability development. Many states now add also the requirement of unpaid work under so-called community work experience programs, although few recipients actually participate. By 1994 the new welfare reform legislation will require one parent in a two parent family to perform work as a condition of receiving cash assistance.

Disagreements about the "worthiness" of different types of poor persons have fragmented antipoverty assistance. Public policy historically has distinguished the young from the elderly poor, the able-bodied from the disabled, and the deserving from the malingering poor. Policy toward single mothers provides a clear example. "Deserving" single mothers—widows, who are husbandless because of fate—receive survivors' benefits through OASI regardless of other income. The "undeserving"—divorced or unmarried mothers, who are viewed as responsible for their plight—qualify only for the means tested AFDC and related programs. A mother with two children eligible for social security survivors' insurance receives benefits nearly triple those available to a similar family on AFDC. Views about who is worthy among the poor and the kind of assistance they should receive have historically been heavily influenced by the power of various lobbying groups. The elderly and the handicapped have received relatively generous assistance, partly the fruits of effective lobbying, while doctors and builders have been particularly adept at shaping health care and housing programs. Social workers, food assistance, child care, and homeless advocacy groups have added their lobbying weight, as have many businesses and other organizations with a special interest in their own pocketbooks, as well as, the delivery of welfare services and development of human capital.

Program responsibility is distributed among the three levels of government and private organizations in a manner which seriously fragments the welfare system. Within broad federal regulations states are responsible for the administration of AFDC. However, state control over determination of eligibility and the delivery of services inevitably gave rise to 50 different AFDC and medicaid programs. Each state decides how to structure the application and review process. To the credit of Congress, determination of AFDC eligibility makes a family automatically eligible for medicaid, the women's, infants, and children's nutrition program (WIC), federal public and assisted housing, Head Start, WIN, and JTPA.

The other major needs-tested cash support program, supplemental security income (SSI), is limited to persons age 65 and over or blind and disabled who apply directly to the local federal social security office. The 1988 income benefit limits are designed, when combined with food stamps, to approximate a poverty level income. Benefits average $368 per month for an individual and $552 for a couple. Twenty-seven states supplement federal SSI payments for certain eligible individuals. States and localities also provide, at an annual price tag of $2.6 billion, general assistance for poor persons who do not qualify for AFDC and SSI payments.

Other cash support programs are available only to more narrowly defined low income groups, including veterans, refugees and Native Americans. Each of these programs has its own income ceilings and each is administered directly at the local level by federal agencies, often under contract with public or private organizations. Additional programs support providers of educational enrichment, aid to the homeless, foster care and adoption assistance, and other programs. The Internal Revenue Service administers the earned income tax credit for low income families, the child care tax credit, the deduction for

large medical costs, and the targeted jobs tax credit (with the Department of Labor).

■ IN-KIND ASSISTANCE

A multitude of in-kind assistance programs exist, offering goods and services to low income individuals and, occasionally, families. Like income assistance, they are funded, regulated and administered by a wide variety of government and private entities. The major programs address such needs as housing, nutrition, employment, training and health care needs.

Families whose incomes, after certain exclusions, do not exceed 80 percent of the area median income are eligible for public housing, if it is available. Those with incomes below 50 percent of the area median are eligible for housing assistance vouchers or payments, which make up the difference between 30 percent of income and the fair market rent. Access to both is pursued through local housing agencies.

Nutritional assistance programs have different but no less diverse eligibility guidelines. Food stamp eligibility requires a below poverty income, after certain earnings are disregarded, and a gross income no more than 130 percent of the poverty level. Application is made at local offices of the state welfare system. The states set eligibility for food supplements from the WIC program at anywhere from 100 percent to 185 percent of the federal poverty guidelines. The U.S. Department of Agriculture Food and Nutrition Service (FNS) administers the program, but state and local welfare agencies administer vouchers or coupons that enable recipients to obtain food directly from food vendors. School lunch and milk programs are operated by the schools under FNS regulation. They provide food free to children from families with incomes below 130 percent of the federal poverty level, and at reduced prices to those whose family income is below 185 percent of poverty. In summertime the FNS makes food available to areas where 50 percent of children are eligible for the school food programs. Meals are served to all children who appear at designated local sites.

Eligibility for most JTPA components is limited to those with incomes below 70 percent of the lower living standard income level of the Bureau of Labor Statistics, which varies by locality and may exceed 125 percent of the poverty threshold. Application for training may be filed with one or more local agencies or contractors designated jointly by the local private industry council and service delivery administrative agency. Local public agencies and private organizations administer a variety of older worker employment programs with various eligibility requirements. The work incentive program, which provides job search training, counseling, referral, remedial education, child care and transportation, is limited to AFDC families and is accessible through the employment service as well as through welfare agencies.

Potentially employable physically or mentally handicapped adults are eligible for vocational rehabilitation services, regardless of income. However, an estimated 60 percent of participants have incomes below the federal poverty threshold. State education agencies administer these services, usually through separate offices in the larger cities. Eligible individuals apply directly to these offices.

A large number of public and private grantees operate Head Start programs under contract with the federal Department of Health and Human Services. Head Start provides preschool educational enrichment to children aged 3 to 5 and in some cases even to toddlers. Eligibility requires AFDC recipiency or a below poverty income. The federal government funds the program, which serves about 500,000 children per year—only about one fifth of those eligible. All other low income education programs are administered by the public schools, which determine whether an applicant meets legislated criteria.

Medicaid is the largest health program that specifically serves the low-income population. In 1988 approximately 24 million Americans—about three quarters of them recipients of cash assistance—received medical services through the program, which provides access to and payment for health services. Medicaid was established for

AFDC and SSI recipients but states can add other groups, defining their own eligibility criteria within federal limits. SSI recipients may apply through social security offices and all others through state or local welfare agencies.

Health programs are numerous and diffuse. Mental health funds generally flow through county governments which contract with private, not-for-profit organizations for delivery of services. Need rather than family income is the eligibility criterion but the poor are overrepresented, both because of their needs and their inability to pay. The maternal and child health services block grant can be administered directly by the state or subcontracted to local governments or private institutions. The only federal eligibility requirement is a below poverty income, though states can set additional criteria. Veteran and Indian health services are provided by federal agencies according to federal criteria. Community and migrant health centers have their own rules and locations.

■ ELIGIBILITY

Each of the low income grant and loan programs has its own eligibility rules and access points too numerous and varied to describe here (Appendix Table 3). Eligibility requirements range from well below the federal poverty threshold to 185 percent of it, and some programs do not specify income limits but serve primarily a poor constituency. Access requires not only knowledge of the program's existence and its eligibility criteria but separate application for each program at sites ranging from federal, state, local, and school offices to private contractors.

Coordinating resources and delivering services proves an impossible task under such a diffuse system. While qualifying for AFDC guarantees eligibility for certain other programs, the converse does not hold. Even with automatic eligibility, the client must contact the separate state and local agencies of each program to apply for assistance. Because funds are inadequate to assist all applicants, even those eligible often must be turned away. Thus a single parent on AFDC who is admitted to a training program may be unable to participate because child care or transportation assistance is unavailable. Waiting lists are endemic. For instance, even under a liberal estimate JTPA resources, though spread thinly, serve only about 5 percent of the eligible population.

Divided authority makes it almost impossible to integrate the delivery of services even when they provide similar services, as in the case of the employment service, JTPA, and the work incentive (WIN) program. The integration of charitable and other private operations with government efforts presents an even greater challenge. The consolidation of some categorical programs into social services block grants provides states and localities wide discretion in organizing the delivery of services to the poor and near poor. However, block grants do not necessarily lead to a streamlined delivery system. In most cases separate administrative turfs have persisted, with the result being needless duplication and the exclusion of many eligible individuals and families from needed assistance. Including programs which do not have income limitations but which provide resources and services accessible to the poor only intensifies the cacophony.

As emphasized earlier, most persistently poor families experience multiple problems, involving need and eligibility for a variety of programs (table 2). Frustration and disenchantment with the fragmented delivery system are visible results. The fact that deliverers of aid to the poor are often powerless to provide the needed assistance even when it is available compounds the difficulties. For example, a local job training counselor may find that a reliable source of adequate income, decent housing, and child care could place a client on the road to independence. But the counselor can all too often do little except refer the client to another line and another case worker in another delivery system.

TABLE 2

Participation of poor families with children varies widely by program (1986)

	Total	Single parents	Married couples
Number (thousands)	6,071	3,629	2,443
Any program	74.9%	83.0%	62.8%
Cash welfare			
Aid to families with dependent children	39.2	57.8	12.1
Supplemental security income	6.6	7.8	4.9
Any cash welfare benefit (including those listed above plus general assistance, foster care and miscellaneous other welfare programs)	42.7	60.7	16.2
Cash social insurance			
Social security	12.0	12.4	11.4
Unemployment insurance	8.6	4.4	14.9
Veterans benefits (note: also includes means-tested)	1.5	1.1	2.0
Any cash social insurance benefit (including those listed above plus workers' compensation, black lung benefits and other social programs)	23.0	16.8	32.4
In-kind benefits			
Medicaid[1]	48.3	65.5	23.0
Medicare	5.2	2.9	8.6
Medicaid or Medicare	50.9	66.4	28.3
Food stamps	51.6	65.4	31.5
Public or subsidized housing	18.1	23.7	9.7
Multiple benefits			
Medicaid and food stamps	41.7	58.3	17.4
AFDC, Medicaid and food stamps	36.0	53.4	10.4
Food stamps and housing assistance	15.3	21.6	6.0
AFDC, Medicaid and housing assistance	13.2	20.0	3.3
AFDC, Medicaid, food stamps and housing assistance	12.6	19.1	3.1
SSI, Medicaid and food stamps	5.1	6.0	3.7
Social Security and Medicare	4.9	2.8	8.0

[1]Assumes all AFDC and SSI recipients receive Medicaid.

Source: Daniel Weinberg, Office of Income Security, Department of Health and Human Services, unpublished preliminary SIPP tabulations.

Poor and At-Risk Families

Four case studies may illustrate the conditions which lead to dependency and the problems of obtaining access to multiple programs. The first is from Baltimore, the next two from Salt Lake City, and the final one from rural Utah.

PAULETTE

Paulette is a young 28-year-old mother and about-to-be grandmother living on AFDC, with four children by three fathers, none of whom is part of the household physically or financially. Paulette never finished high school. Her oldest son, Mark, 14 years old, was a chronic truant in school, in and out of trouble in the neighborhood, which finally earned him a sentence to the Maryland Training School for Boys. Since his release, his case worker has been trying to place him in a suitable school but without success. Her oldest daughter, Tessie, is pregnant at age 13, repeating her maternal family pattern. She wants to drop out of school, but a neighbor has told her about a special school for pregnant girls and Paulette is trying to get admission. The eight-year-old daughter, Marie, is doing satisfactory school work, but Paulette has noticed her late returns from school with unexplained spending money. There is real concern that Marie is earning her money as a "spotter" for neighborhood drug dealers. The two-year-old baby of the family has started exhibiting symptoms of lead paint poisoning, caused by nibbling on flaking paint chips in their apartment. Unchecked and untreated, this could result in permanent brain damage. This is a family beset with behavioral, health, educational, housing, and financial problems. At least five public agencies in five separate locations have some knowledge of and contact with this family. Fourteen different workers in those agencies have attempted to offer assistance during the past two years, each concerned with the specialized service agency but with little or no knowledge of the efforts by the other professionals.

CHARLENE AND DAVE

Charlene is a 22-year-old never married mother of five children, all under the age of six years. From time to time, Dave, the father of at least some of the children, lived in the household. However, since 1981, Utah has denied two parent families AFDC unless one parent is disabled. Charlene remains unmarried in order to maintain her eligibility. She receives AFDC, WIC food, and food stamps. She applied separately to the Salt Lake City housing authority and after a 13 month wait qualified for rent subsidy.

Charlene has also applied for admission to the Salt Lake adult high school. There is a waiting list for the day care services that are provided by the school at a minimal charge, but after some time she was able to get her children enrolled. Her attendance at school has been sporadic, and she failed to complete the requirements for high school graduation, which should have occurred several months ago.

Dave is a 24-year-old high school graduate with a sporadic employment record. During the spring of 1988 he participated for approximately two months in a JTPA training program. His entire work history has consisted of short-term seasonal jobs, rarely staying long enough to make him eligible for unemployment compensation upon layoff. Dave has an alcohol problem for which he has not sought help. When he doesn't stay with Charlene, he lives with his mother, but even when he is working he contributes very little to the maintenance of either household.

JOHN AND GLORIA

John is a Vietnam-era veteran. He returned from Vietnam physically intact, but with emotional problems and a low tolerance for stress. Shortly after his return from Vietnam he met and married 18-year-old Gloria, who had immigrated with her parents from the Philippines when she was ten years old. Since their marriage, John has never worked. He receives service-related compensation from the Veterans' Administration and is eligible for VA medical care. John and Gloria have five children, the oldest of whom is 17. To

complicate the situation, John is an alcoholic. He has been through a veterans' drug and alcohol rehabilitation program several times, but has been unable to quit drinking for more than short period of time. A few years ago their five-year-old daughter drowned on a family outing. John has consistently blamed her brother who, at eight years of age, was watching her at the time.

The 17-year-old son has a job as a stock worker at a local supermarket. John meets him at the store on pay day and relieves him of his paycheck. John's wife and children are almost constantly the victims of verbal and occasionally physical abuse. Last summer the 13-year-old son was placed in a foster home to protect him from abuse by his father.

John and Gloria have lived in a series of older houses in the central city area. John says that he does not want to live in an apartment because he cannot live the way he likes to live, though abundant complaints from the neighbors seem to be the real reason. They have no car or other means of private transportation. Therefore, when they move they carry many of their belongings in shopping carts. They do not have a telephone.

John and Gloria have received payments to help pay heating costs in the winter time. They also have sought and received help from the Mormon Church on various occasions for food and utility bills. John, however, claims that he is incapacitated and refuses to work on any of the welfare projects of the Church.

■ BECKY

Becky is an 18-year-old divorced mother with a nine-month-old baby, living in Utah's rural Uintah Basin. Though she receives AFDC payments, she has been unable to provide for herself and the baby, has been forced to live with her parents, and is the victim of occasional physical abuse by her father. She is trying to find an apartment or house for herself and the baby, but rent and utilities are high and the AFDC benefits are low.

Becky has low self-esteem, evidently the result of an abusive upbringing, and she is trying to get over the scars of a bad marriage. She dropped out of high school at the end of her sophomore year because she was pregnant. Her family lives eight miles out of town and her only transportation is an unreliable old car which is expensive to maintain. Her current ambitions are to care for her baby, return to school, and get some work experience, but jobs are few in the depressed rural economy, and she lacks the job skills and education to qualify her for the few jobs that become available.

■ Lessons We Should Have Learned

The four case studies strongly suggest the varied obstacles to self-sufficiency faced by many poor families and the need for a more integrated approach to the administration of low-income programs. An objective, but previously uninformed, observer upon confronting federal and state antipoverty efforts for the first time would ask, "Who is in charge and how does anyone ever penetrate that maze and survive?" Varying degrees of discretion are given to governors in some programs; others charge local officials with design responsibilities; and still others prescribe shared authority among state and local leaders. But the recipient is only interested in getting help from the bewildering variety of agencies to confront the overwhelming panoply of problems. If public programs in aid of the poor are to become a comprehensive and unified system, the authority to tailor services to family needs must be consolidated and linked with the power to commit resources. Congress recognized this need several years ago, when it consolidated packages of social interventions into block grants. While considerable progress was made before the movement stalled, it fell far short of the need.

A cohesive approach is essential to help persistently poor families achieve self-sufficiency. In addition to income, shelter, health care, education, training, work experience, and child care and placement services, their needs include the rehabilitative services required by teenage, out-of-wedlock

pregnancies, drug and alcohol abuse, and confrontation with the criminal justice system. It is time now to reassess anti-dependency initiatives and repackage their governance. The objective should be a delivery system that would integrate the many critical services available to members of dependent families.

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3 Toward a Family Investment Initiative

Two harsh realities shape our proposal for a family investment initiative—the multiple problems of persistently poor families and ubiquitous federal and state budget deficits. The pause in social welfare innovation during the past decade, combined with the erosion of American family structure, has offered opportunity for reflection. While the more nostalgic observers lament the passing of the traditional values they imagine undergirded the families of their youth, social activists search for the means to rebuild the family's strengths within the changing context of reality. Family policy is not only at the forefront of public debate, it has become a subject of increased social experimentation throughout the land.

The millions of people on waiting lists for Head Start, JTPA and public housing, and the 35.5 million Americans lacking health insurance graphically illustrate the need for more resources in aid of the poor. The reality of a massive federal budget deficit and President Bush's steadfast opposition to raising taxes, however, mitigates against major new financial commitments in 1989. A recession that may loom on the horizon would create even more difficulty, swelling both the federal deficit and the ranks of those in need of help. Nevertheless, as we have demonstrated, there are in the multiple program pipelines substantial resources earmarked for poor individuals and families. By reforming fragmented delivery systems, a greater return could be obtained for the expended social investment dollars. In this chapter we describe some of the experiments now underway and derive some governing principles of an integrated family initiative. We believe such an initiative could strengthen the poor family unit and move it toward self-sufficiency, even within the confines of available resources.

■ Emerging Local Initiatives

Educators and social service workers—the observers most directly confronted by the erosion of the family unit and its threat to the social stability—have not waited for the emergence of national policy. Family investment projects are emerging piecemeal in many areas of the country.

Educators, of course, tend to focus on the developmental deficits of at-risk children entering schools. They have been joined by a growing number of business and policy leaders. As Gordon Berlin and Andrew Sum succinctly stated the problem, "Those who begin behind stay behind," ultimately never completing a high school education. Experimental programs demonstrate the importance of early education for at-risk children and the close link between a mother's educational attainments and her offspring's school success. Several promising initiatives now underway encourage parents and children to start learning together at an age early enough to make a difference in longterm achievement.

Social service professionals have responded to the epidemic of children having children and its consequences—inadequate parenting skills, lack of knowledge about child development, consequent child abuse and neglect—with recognition of the need to strengthen entire families. The need for improved parenting skills, higher family literacy levels, better child rearing practices, and reduction in child abuse have brought about a conceptual shift in social service policy from child advocacy to family advocacy. Though designed in response to the debilitating effects of poverty, teen pregnancy, low birth weight, infant mortality, school failure, adult illiteracy, and dependency, most local programs have as their main goal parental support and empowerment. Projects

underway in several states involve monthly home visits and parental training, with a goal of enhancing parental competencies and improving the home learning environment with books and toys. An indication that such programs are becoming widespread is Harvard University's Family Research Project, which has established a nationwide clearinghouse to disseminate program information and policy guidance.

One family investment project that has attracted national attention is the Beethoven Project in Chicago. In a six block area of the Robert Taylor public housing project, where single parenthood and teen pregnancy are endemic, every baby born in 1988 is scheduled to receive intensive and comprehensive support from birth to age five, at which time the children will enter the Beethoven elementary school. Services to families include prenatal care, nutritional advice, parenting skills, educational competency and job training.

Funding for similar projects in other communities involves a combination of state support and local philanthropy. The common thread throughout these initiatives is the provision of services to prevent social, educational, and medical problems; maintain stability in the family; and empower family members by building self-esteem and reinforcing parental roles. A common shortcoming of these projects is that most of them address only marginally, if at all, the attainment of family self-sufficiency through employment. In contrast, the two Baltimore initiatives described later in this chapter include this essential ingredient as the central focus of their program designs.

To the concern over the erosion of the family and its consequent human and social costs has been added the projections of labor shortages, already apparent during the prolonged economic recovery in many parts of the country. Policymakers argue that, as a nation, we can ill afford "throw-away" people. Labor market economists join other social scientists and educators in urging a strong national policy focused on investment in the self-sufficiency of at-risk families. But meeting this challenge squarely requires recognizing that the causes of longterm poverty are interrelated and demands coordinated interventions. It will require the confluence of multiple funding streams at the service delivery level and the will at all levels of government to employ bureaucracies creatively and collaboratively.

The American society is diverse and pluralistic. Much policy development and implementation must be left to local discretion. Still there must be common goals and direction. We first identify the guiding principles which should underlie a family investment initiative. We then indicate the governance appropriate at the national, state and local levels as well as community support systems which should be involved.

■ Guiding Principles

The proliferation of social programs since the Great Society era has generated a constant refrain of calls for cooperation (you coo while I operate), coordination (an unnatural act among nonconsenting adults), concentration (pour more of the money into my district), decategorization (don't segment the poor), decentralization (us locals are smarter than the state house gang and the feds put together) and comprehensiveness (let's get it all in one package). Local program landscapes are littered with the remnants of one-stop centers and storefront neighborhood offices, most of which essentially housed traffic directors who pointed their clients toward the various agency offices where resources and power were held captive.

So what is new about a family investment initiative? Is there some magic in terms like collaboration, consolidation, service integration and unified services accounts which wasn't incorporated in the earlier terms? Possibly not. But we do think there are two elements which make it worth trying one more time to "make sense" of social welfare policy by broadening, yet intensifying its focus upon the family unit. First, a family centered approach has the potential of being more cost effective in times of budget stringencies than a focus on individual cases. Second, the family is where all of the threads ultimately knit together into either a frayed or an intact safety net. Measures which shore up the family are

likely to lead not only to a more stable personal life but also to a more orderly society. Ten cardinal guidelines to be considered in implementing the family investment concept follow.

■ THE TARGET POPULATION

Limited resources dictate service to a limited population; the alternative that is practiced too frequently is to spread funds so thinly as to be without meaningful or lasting impact. Ideally anyone eligible should be able to partake in available services; but reality dictates the establishment of priorities. It is the persistently poor family, especially the family headed by a young woman with limited earning ability, which is most in danger of experiencing multiple problems and longterm dependency. The fragmentary nature of the present social welfare system does not help—and perhaps even harms—the well-being of these families.

The first priority for service should be accorded to families that have received public assistance for two years or longer, or are headed by young single mothers. These are the families whose way of life is characterized by dependency, hopelessness, and the whole range of social ills, and for whom intergenerational transfer of this unfortunate legacy is most likely. The investment centers would also address the needs of a frequently ignored family member—the father—whether or not he lives with the family. The father's circumstances are tied up with the futures of his children, at least insofar as his ability to provide child support is concerned. Responsible male figures also play an important role in future marital and parenting behaviors.

■ CASE MANAGEMENT

The family investment center would be the only access point for eligibility determination, family analysis, resource commitment, and referral to services. Members of eligible families would no longer have to knock upon the many agency doors to obtain fragmented services. But the flip side of that coin is that other agencies would be expected to refer those eligible to the family investment center.

Key to the effectiveness of the family investment centers would be analysis of the multiple problems of each eligible family by a skilled professional—the family investment manager. This person would have to be knowledgeable about the services offered by each of the relevant social programs and familiar with each of the social and personal problems to which the targeted families are susceptible. The investment manager's responsibilities should include:

- knowing when and how to call in specialized assistance as needed;
- involving family members in the analysis of their own problems and prescription of assistance;
- authority to commit resources on the family's behalf, though the actual services would be provided by the responsible agency or vendor;
- following up on each family in the case load to track them through the various services, serving as its advocate, and seeing that family members do not get lost between serving agencies.

■ EARMARKED RESOURCES

The family investment manager's analysis and prescription will be meaningless if the family investment center can offer no more than referral to agencies that control the needed services. The manager's role must include authority to commit the resources necessary to carry out the prescriptions on behalf of each family member. Obviously, this targeted case managed approach will result in the allocation of more resources per family and therefore serve fewer families. However, one lesson garnered from a quarter century of allegedly remedial programs should have been the error of spreading available resources too thinly. Better an effective program for a few than ineffective palliatives for many.

Federal policy should earmark a substantial proportion of all antipoverty funds for allocation through family investment centers and allow governors flexibility in expanding their share of federal funds for family investment projects. Those

eligible for some of the services but not qualified for assistance from the family investment centers could seek services directly from the assigned agencies administering their non-earmarked funds. The personnel of the family investment centers would also serve as advocates for their clients in seeking services from programs not limited to low income eligibility and therefore not within the earmarked allocations.

■ SHARED RESPONSIBILITY

Not only should family members participate with the family investment manager in determining the needed services, they must be committed to do all within their power to carry out the plan. Shared responsibility is an acknowledgment of dignity and competence. Entitlement based solely on need robs the recipient of self respect and preparation to meet societal expectations.

A guiding principle for an integrated family investment plan must include a statement of shared responsibility—a social contract. This contract must clearly articulate expected outcomes for all family members as well as obligations of the family investment manager marshalling the resources, the agencies delivering services, and the family members participating to achieve self-sufficiency. Support of children should be an acknowledged responsibility of all parents, including those not resident in the home. This requires that determining paternity and pursuing child support should be the responsibility of custodial parents as well as law enforcement and social service agencies. Fathers, whether or not they reside with their children, should be included in the family analysis and self-sufficiency development to persuade them to meet their responsibilities, although the fathers may have to be assisted separately.

The social contract must include a hierarchy of sanctions, ranging from reduction of services to partial withdrawal of income support. Family members† obligations should include a requirement that all members of the family who receive assistance participate, in order for any service to be available to anyone. The social contract would include a listing and description of all of the services committed to the family. Incentives and awards that acknowledge achievement could be used effectively, depending upon the availability of resources. For example, in order to enable fathers to contribute to the support of their children, they might be offered incentives to encourage successful participation in education and training programs. This family social contract would become a blueprint of schedules, obligations and outcomes for the investment manager and the family to work out together, and a barometer against which to measure progress.

■ STAFF TRAINING

In-service interagency training should motivate investment center directors, managers and line workers to view family stability, self-sufficiency, and successful employment as their mission. The case manager under the family investment concept must have broader knowledge and skills than most of the staffs functioning in current programs. Yet an initiative that might threaten incumbent personnel would generate opposition which is likely to impede, if not prevent, acceptance of the concept. Therefore case managers should be drawn from existing ranks of service providers, offered intensive training, and given compensation to reflect the added responsibilities.

A substantial campaign will be necessary to convince existing agencies to accept the mission of the family investment center and the crucial role of the case manager. Tangible benefits such as reduced caseloads, improved administrative procedures and personal satisfaction, as well as better pay and faster career progress, should be made evident.

■ THE PLANNING PROCESS

The planning process for the family initiative should involve all of the relevant interests—public and private agencies, community organizations, and recipients of aid, as well as employer and employee associations. To allay concerns that service integration might usurp authority, eliminate jobs, or trespass on turf, the planning

process should identify and respect established interests and generate consensus. The reforms will have a better chance of being heeded if the chief executive officer—the president, governor, mayor or county executive, as appropriate—initiates the planning process and manifests commitment to the approach. The perceptions and involvement of neighborhood associations, schools, churches, hospitals, business, unions, and opinion-makers in all stages of the efforts from planning to implementation will also be critical to the success of the family initiative concept.

In order to devise a responsive and comprehensive delivery system, a careful analysis should be undertaken to locate the at-risk population, identify their unique needs, and assess the relative capabilities of existing institutions to meet these needs adequately. The area covered by each family investment center and the services that it will deliver are likely to vary. It may be organized county-wide, targeted to specified pockets of poverty within a metropolitan area or limited to the residents of a public housing project. Careful data collection and analysis are essential. Most of the required data already are maintained by appropriate public agencies, but some added effort and analysis will be needed to develop a more realistic family and community strategy.

■ PERFORMANCE MEASURES

The levels of government that control funding resources will assume responsibility for establishing outcome expectations and performance measures. The performance measurement system should be sufficiently flexible to take into account local conditions, program designs and target groups, and should include regular monitoring to determine if the delivery system met or exceeded the program expectations. Incentives and sanctions would play an important role in an effective management system.

An integrated and flexible family investment initiative will require both a broad set of national program outcome targets and more specific local program benchmarks. The latter could include such factors as reductions in welfare dependency, teen pregnancies, substance abuse, school drop-out levels, youth unemployment, and infant mortality; and improvements in earnings, school test scores, high school graduation rates, adult literacy, labor force participation, community affairs participation, and child support enforcement. These benchmarks may be included in the social contract, as a basis for measuring the progress toward program goals of individual families.

Local benchmarks should be grounded in research findings and shared "best practices" information and may vary based on program mix, target groups and local conditions. Cost outcome data should be collected from program sites to form a national database of local family investment initiative performance standards. A rigorous national follow-up evaluation should be used to determine the effectiveness of the entire initiative.

■ INCENTIVES TO STATES AND LOCAL GOVERNMENTS

Under current law states could move separately in the family investment initiative direction. Nevertheless the totality of states would undoubtedly arrive at the goal more rapidly if there were positive incentives to do so. Grants-in-aid with matching requirements have long been used by the federal government to encourage states and localities to undertake efforts or follow policies they might otherwise ignore. Added incentives and directives might be used to encourage these same governments, as well as private institutions, to undertake collaborative planning and administration of the family investment initiative and to supplement these efforts with their own resources.

The family investment initiative could be phased in gradually, starting with federal planning grants. These could be followed with incentive awards to states and localities whose plans demonstrate progress toward streamlined administrative procedures and interagency commitments to the family investment centers. Several states have shown interest in adopting aspects of the family initiatve model for implementation of the 1988 welfare reform legislation.

State and local elected officials who move their bureaucracies to implement the family investment initiative should be given discretionary authority to adjust federal eligibility standards within a prescribed range so as to create better access to more program dollars. Planning grants should give the states and local governments authority to develop revised administrative procedures based on federal guidelines. Some authority of this kind exists in the form of waivers and the broad authority granted in programs like community development, social services, and maternal and child health services block grants. The incentive awards will acknowledge the leadership and muscle demonstrated by state and local elected officials in tackling bureaucratic traditions and turfs.

■ USE OF TECHNOLOGY

Modern data processing and communication technology enhances the feasibility of achieving the consolidation and integration contemplated for the family investment initiative. Every step—from application and eligibility determination of family needs, analysis and resource commitment to placement, reporting and evaluation—should be stored in computers. Matching client needs with available resources can be performed quickly, easily and at modest cost with properly programmed computers. An AFDC recipient needing a job, child care assistance, counseling or training could be readily matched with suitable and geographically convenient services as well as tracking the cost allotted for each service.

The investment manager would use technology in much the same way a travel agent does. A travel agent can put together an entire package—tickets, rental cars, hotels—using one computer terminal. Similarly the investment manager could "lock in,– within the available resources, the training or day care slot, the housing certificate and other committed services. A "unified services account," approximating the value of services required by the family should be established at the time of initial assessment. As service units are reserved by the family investment manager, a running account of both services and expenditures can be maintained for each family unit. User-friendly technology exists to teach the illiterate to read, to store a bank of resource information for an entire state, to keep an account of services and costs reserved for a single family unit, or to analyze and compare costs and outcomes of varying treatments for various populations.

Technology enables time-consuming administrative tasks such as attendance checks and testing to be performed with minimal staff effort and redundancy. Attendance could be recorded when an individual logs onto a computer to begin lessons or to check for the latest job openings. Computer scans could score multiple choice exams instantaneously to provide students with immediate feedback. Computers also would permit administrators to easily track participants' program progress to determine whether each was receiving the services recommended as a result of the initial assessment.

Sophisticated computer evaluation programs could be developed to enable policymakers and investment managers to review outlays for each service and to assess achievement differences for individuals with varying family types, educational levels, ethnic backgrounds or lengths of time spent in the program.

The program management envisioned here is no Buck Rogers fantasy. Prototypes already exist and are in use around the country. Federal and state governments already collect an immense amount of demographic and labor market information. An assertive leadership could more profitably use these data in designing and assessing the effectiveness of educational and social programs.

■ DISSEMINATING RESULTS

Nationally mandated parameters of objectives, target populations, eligible services, quality of service, and accountability for outcomes are essential. These parameters could be based on a rigorous evaluation of the proposed pilot projects and should be closely monitored to ensure that federal objectives are carried out. Within those parameters it is critical

that local areas retain flexibility in designing and delivering the mix of services most appropriate to the community context in which services will be delivered. But when something works, it is also essential that the information be widely disseminated. In the past 25 years, much has been learned about what works for whom under varying conditions. But good information rarely leaves the conference room or the book shelf, thus requiring local areas to continually "reinvent the wheel." Better dissemination of research information and provision of training and technical assistance to program staff to encourage replication should have high priority.

Demonstration projects have shown that total family approaches to self-sufficiency are workable. But when implemented on a broader basis, each local area will need supportive technical assistance. The delivery of comprehensive assistance involves access to programs with a proven success record and the use of funds from diverse sources. It will be critical to maintain accurate information about every integrated family investment initiative in order to keep improving the level of expertise in these significant but still largely uncharted waters.

■ Governance

A morass of gaps and conflicting rules too often characterizes existing social welfare policy. A family investment initiative requires removal of the legislative and regulatory measures that, however inadvertently, serve as obstacles to self-sufficiency. A recipient of food stamps, for example, might be disqualified from the program if she receives Pell Grant funds to pay for child care while she attends school. The welfare authorities in their wisdom preach self-sufficiency, yet count some Pell Grant funds as extra income. Eligibility requirements must be at least consistent, if not uniform, across the full range of services and states. In addition, while diversity from state to state and among localities within states would benefit the family investment initiative, certain commonalities would lead to more effective programs.

■ THE FEDERAL ROLE

The family investment initiative would require that a portion of funds appropriated for a variety of federal agencies be sequestered and committed to that purpose. That can be accomplished nationally only by strong commitment and engagement by the White House. The president should establish, preferably upon the initiative of Congress, a national governing body which would include the head of each relevant cabinet department and independent agency. The objective would be to rely on the resources and expertise of each agency, yet provide clear leadership and minimize parochial influences. That federal entity—perhaps as a committee of the Domestic Policy Council—should have sufficient staff to develop with the Office of Management and Budget and departmental staffs appropriate guidelines to implement central policies and prepare compatible eligibility criteria, reporting procedures, performance measures and, where appropriate, common curricula, tests and other useful materials. Subject to agreed-upon family investment policy, the cabinet departments and independent agencies would continue to operate their programs as at present.

Rather than await the implied reorganization and new legislation, President Bush could press forward immediately, pooling available discretionary funds for pilot projects to demonstrate the processes and potential of the family investment initiative. If $100 million were generated, that would be sufficient to start 20 pilot projects, 10 of them in inner city housing projects and 10 in other low-income community settings. A year might be necessary to get family development centers underway on a more general basis. Meanwhile, the 20 pilot sites would be uncovering and confronting unforeseen obstacles and experimenting with measures to guide the more general effort. In addition, technical assistance should be available for state family investment initiative experiments to implement the 1988 welfare reform legislation.

While the president, governors, and local officials could make substantial progress within the limits of current discretion, implementation would be

accelerated and more complete if Congress would first endorse and then mandate the contemplated initiative. Obstacles inherent in current committee jurisdictions could be overcome by each house appointing a single committee with legislative authority to prepare implementing legislation. Appointing to that family initiative committee one member from each of the 18 committees now having jurisdiction over relevant programs should facilitate that process.

The initial steps would be to endorse the concept, mandate the establishment of the central executive office entity, and authorize governors to commit the resources of existing appropriations to the family investment initiative, prescribing ranges within which they can act. Having done that, Congress should:

- Establish compatible eligibility criteria for all antipoverty programs;
- Delineate federal, state, and local responsibilities;
- Provide criteria for the establishment of state and local policy boards;
- Direct the preparation of uniform assessment instruments;
- Provide guidelines for the preparation of performance standards and for monitoring, auditing and evaluation procedures;
- Direct and provide criteria for the development of uniform data collection and reporting standards;
- Provide for research, technical assistance and interagency staff training; and
- Provide for the development of a compatible computerized system throughout the program for data collection, reporting, monitoring and resource allocation, and a commitment for its use.

Income eligibility standards differ radically from one social program to another, frequently posing insurmountable obstacles to coordination, and impeding the provision of all available services to families who may need them. Widely diverse eligibility standards largely reflect the budgetary and political environment which existed at the time Congress enacted each program. These variations have spun duplicative bureaucracies at the state and local levels. Varying and sometimes even contradictory eligibility regulations entail separate rules for virtually every program. Congress should set uniform standards for counting applicants' income, another area where large discrepancies exist in state rules. Establishing common eligibility rules would necessitate changing many statutes governing aid to the disadvantaged, but the benefits would be significant. The reform would produce simple, more easily understood programs and better integrated efforts. There would be substantial administrative savings over the long run and, most important, more effective assistance to those who need help.

Governance rules reflect political compromises made at the time each program was enacted, but they obstruct the rational delivery of services, making it extremely difficult to coordinate assistance. Experience has shown that coordination among different authorities is difficult to attain. The administrator of one program has no means of compelling a colleague in charge of a related effort to cooperate, and due to administrative fragmentation statutory directives mandating coordination often are fulfilled only on paper. Someone has to be in charge, and Congress should ultimately make that determination for both the federal and, insofar as federal resources are involved, the state level.

Mandating performance standards is another key congressional responsibility. Performance standards, pioneered by CETA and JTPA, are a potentially valuable tool for improving the effectiveness of social programs and generating public support for efforts which prove successful. However, the difficulty of quantifying the objectives of many antipoverty programs, especially social services, suggests a need for caution in introducing performance standards. Such measures should be implemented only after careful research provides some assurance of relevance and reliability. Before standards are published they should be tested in carefully designed pilot projects. In most cases only the federal government can command the resources and the technical expertise to adequately pursue these efforts. Congress should mandate that the executive branch initiate a longterm plan for pursuing the implementation of performance standards.

■ STATE GOVERNANCE

Responsibility for administering the family investment initiative within the confines of federal policy should rest with governors and locally elected officials. As at the local level, the governor should utilize a state policy and planning board to govern all of the programs from which resources would be committed to the family investment initiative. The JTPA State Job Training Coordinating Councils might provide a basis for a model for these boards with expanded membership, mission, and function. The board should subsume others with similar authority over individual antipoverty and self-sufficiency programs. It would include the heads of state agencies responsible for developmental programs broadly defined, representatives of the major employer associations, employee organizations, community based organizations, and the general public. The state policy board should be kept as small as possible, commensurate with the indicated representation and responsibilities.

The state policy board's most important assignment would be to recommend to the governor, subject to federally prescribed ranges, the proportion of the funds to be committed to the family investment initiative from each antipoverty and related program. It would also advise the governor concerning other programs compatible with the family initiative and seek to persuade agencies outside the antipoverty nexus as well as private organizations with significant resources to support the initiative. Finally, the state policy board would recommend policies for state and local governance of the initiative and related programs within federal guidelines, and undertake oversight, monitoring, and evaluation of local efforts as well as state programs.

■ LOCAL GOVERNANCE

Every major metropolitan area should comprise a service delivery area for purposes of the family investment initiative. States should have the prerogative of determining the boundaries of such areas, though care should be taken not to spread scarce resources too thinly.

Every agency responsible for funding committed to the initiative must consider itself an equal partner in making the policies which govern family investment centers and in planning for and overseeing their functioning. A local policy and planning board should be appointed by the chief elected officials of the local government entities within the designated service delivery area. In addition to representatives of agencies whose resources are being in part targeted on the family investment initiative, the members of the board would include, subject to nomination by their constituent organizations, representatives of employers, affiliated and unaffiliated employee organizations, and community based organizations. JTPA Private Industry Councils offer a useful model for a local policy and planning board, though, as currently constituted, the PICs may be viewed by some agencies that would be involved in the family investment initiative as partisans of the U.S. Department of Labor, rather than as a potential instrument for broader antipoverty policy implementation.

Within federally and state established guidelines, the local policy and planning board should work out relationships among the resource-bearing agencies, review the treatment and progress of the target populations, monitor employment standards, and maintain liaison with the employing community to assure access to jobs for those whose employability is being enhanced. The local policy board should seek access for its target population to relevant resources from programs outside the range of antipoverty objectives. It should also persuade religious, private welfare and other community organizations to coordinate their efforts with those of the family investment initiative.

A Glimpse into the Future

Viewing the system as it exists and as it should exist in three quite different settings may illustrate the current complexities from the recipient's vantage point as well as the potential for change. The three case studies are chosen for our familiarity without claiming that they are representative. They provide structural contrast between a large metropolitan area with concentrated central city poverty areas studded with 51,000 tenants in public housing developments; a moderate sized metropolitan area wherein poverty is decentralized and private organizations play a substantial role; and a rural area with vast distances, small towns and no public transportation. The three diverse communities serve as illustrations of what an integrated family investment initiative might look like in varying settings.

BALTIMORE'S VARIED APPROACH

The city of Baltimore's experience provides a model of an integrated approach, using only a fraction of the potentially available resources. Starting in 1986, Baltimore began the planning of family investment centers for various groups of at-risk families, using a variety of funding approaches.

The largest scale program is located in a high rise public housing project. The target populations are mostly AFDC female-headed household tenants; the funding a combination of public resources for which the tenant families are eligible: WIN, JTPA, Headstart, state welfare-to-work programs, plus a start-up grant of $1 million from the city's community development block grant. Two smaller family development centers are located in vacant schools that have been renovated into transitional apartments for homeless families. The funding is a combination of private philanthropy (for rehabilitation and furnishings), McKinney Act grants, JTPA, and syndication of low income housing tax credits to provide operating funds.

Another model now in the planning stages will be based in the community, in either an inner city community center or neighborhood school. In addition to intensive and integrated family services, the community program also will include neighborhood services such as vacant house rehabilitation and increased drug and alcohol abuse enforcement, so that the families targeted for service might thrive in a healthier environment. Funding is projected to include a combination of foundation grants, portions of the community development block grant (CDBG), urban development action grant (UDAG) repayments, JTPA, and Family Support Act (JOBS) allocations.

Of the 18,000 public housing units dispersed among 53 developments in Baltimore, the least desirable developments house the most at-risk population groups. Four older high rise developments house mostly young families. The abrupt termination in 1981 of federal funds for new public housing construction and reductions in operating subsidies have left the city of Baltimore, like the rest of the country, with a serious shortage of low income housing. With no alternative for affordable housing, and with 35,000 families on the waiting list (many since 1979), these young, dependent, highly at-risk mothers and children are locked into their 14-story high rise setting with no expectation or hope of getting up and out. In 1984 the city consolidated multiple program resources into one large agency, The Neighborhood Progress Administration (NPA). This agency administered the public housing, community and urban development programs, as well as the employment and training system. Thus, multiple funding streams flowed through one administrative entity, greatly facilitating integration of assistance. In early 1986 the city authorities determined to use these combined resources in an experiment to pursue self-sufficiency for the residents of one high rise development.

Lafayette Court Homes, with 816 units and 2,400 residents, is the site of the Lafayette Court Family Development Center demonstration project. Some 1,300 children under age 18 live within these units, including 513 under the age of 6. Eighty-five percent of the residents receive public

assistance. By age five many youngsters show the effects of this entrapment. Inadequate prenatal care, lack of basic skills among mothers, lack of early childhood stimulation, abuse, neglect and poor nutrition have stunted their development. Without intervention, their chances of catching up are bleak. By adolescence, many more are lost to drugs, alcoholism, out-of-wedlock pregnancy, and crime. There are those who will survive and succeed; they will make it against all odds. But the barriers these children face are awesome, and the price paid in wasted human potential is grotesquely expensive.

Tenant representatives participated in the planning process, which involved a social contract: if the whole family did not participate, no single member should get services. For example, day care was not available for the child of a mother who did not actively pursue education, training or employment. Tenant representatives helped to elicit interest and needs, so that decisions could be made about needed services. Tenants recommended making the center a membership organization, complete with identification cards and family photographs. Not surprisingly, early survey returns reflected a heavy demand for child care and a massive need for adult remedial education before skill training could be considered. In an instructive footnote, the survey found more children and more families in residence than were listed on the lease, perhaps indicating where part of the public housing waiting list waits. Overlooking legal niceties, a decision was made to make the center available to all residents, whether or not listed on the lease.

Representatives from seven other city agencies principally concerned with education, health, recreation and child care became part of the official planning team. Some agencies provided services on-site from their own budgets; others became vendors, reimbursed for services from the Job Training Partnership Act, community development block grant or work incentive program funds. The planning team recommended that intake, case management and core developmental services be located on-site in order to gain and retain maximum participation. Accordingly nine ground level apartments, considered undesirable residences by tenants, were converted into offices, classrooms and day care centers. Nine new staff positions in the center were made available to tenants. Portable classrooms placed on the Lafayette Court property provided additional day care space.

The problems of providing appropriate remedial education have been persistent. Many adult family members read below the fourth grade level, the threshold for the computer assisted instruction in use. A Department of Labor grant is providing resources for the development of a computer program to aid adults functioning at the first through fourth grade reading levels. Preparation for employment will be a long haul, and will require sequential services.

The principal of the elementary school located across the street from the housing project became a key player in the initiative. He recognized the value of the program for his students and offered underutilized space in his building. Before- and after-school activities for elementary students and a first semester college program sponsored by Morgan State University for GED graduates all help to bring the school, the children, the parents and the housing project together as part of the Lafayette family development center. In addition to the services available on-site or in the school across the street the project provides referral and enrollment services to skill training programs in apartment maintenance, rehabilitation trades, clerical skills and nursing; a dropout prevention program; and referral to summer and part-time jobs for youth. Each family's on-site participation is channeled through a case manager who also provides referral to the off-site programs.

The services offered represent substantial resources—some new, most redirected and targeted. Capital costs and some operating costs associated with the center are budgeted out of the initial block grant allocation. Employment and training services are available through JTPA allocations. The health and recreation departments provide in-kind services and guidance on the design of needed contracted services. The school system provides facilities and equipment for a large preschool and school age child care program

at the neighboring school. Day care slots are jointly funded by WIN and AFDC funds. A computerized system records the family plans and the programs used by each family member. The system tracks service delivery against the contractual plan, debits the appropriate funding source, and in addition collects and aggregates demographic and programmatic data.

During the first year of operation, 244 family units consisting of 799 individuals were enrolled in the program. Earliest successes were 17 GED graduates who matriculated into freshman classes at Morgan State University. The university volunteered to locate a first semester class on-site to ease the transition to higher education. Longer term outcomes are not yet available, but objectives consist of:

- proportionally fewer families dependent on public assistance;
- increased proportions of family heads employed;
- children better prepared for learning upon entering kindergarten;
- better progress and performance among school age children;
- increased graduation rates for parents and children; and
- decreased pregnancy and addiction rates.

If these multiple interventions have the hoped for cumulative effect, perhaps the intergenerational cycle of poverty, dependence and hopelessness can be broken.

A related smaller model, also based on a social contract, operates in two transitional housing complexes for homeless families. In order to rent an apartment for six months in two renovated school buildings, each homeless adult agrees to participate in appropriate educational or job training programs while children participate in day care developmental programs or attend school. On-site case managers assess, assign, and follow up. Every six months each family's progress toward sustained independence is reviewed. If appropriate, job placement and permanent housing is the next step. If not, the family may contract for an additional six month lease with the maximum stay planned at 18 months. The first "graduate family" reached its goals in nine months: a secretarial job in a professional office, affording access to a private rental apartment and supervised care for two children.

A needed but not yet added innovation would be a transitional housing program for public housing residents who are ready to move into leased subsidized housing in residential neighborhoods. These families could be rewarded for maintenance of this housing and continued progress toward self-sufficiency by having the full lease value forgiven and applied toward purchase of the housing on a low payment, low interest basis. The low income family could then acquire the most important capital held by moderate income families in the United States—its own home.

■ SERVING SCATTERED POPULATIONS

In contrast to Baltimore's concentration of the poor are two examples from Utah:

- Salt Lake County, an urban area lacking a central city ghetto with the poor scattered among the population at large;
- the Uintah Basin, a rural area characterized by vast distances, scattered population and little employment opportunity.

Both illustrate the universality of family related economic and social problems, even in jurisdictions lacking many of the stereotypes common to areas of poverty concentration.

The proliferation of agencies providing services to the poor in Salt Lake County is probably typical of most jurisdictions across the nation. An eligible low income family which had the initiative and the knowledge to take advantage of all of the helps and resources for which its various members are eligible would be required to contact as many as 18 separate offices. In doing so, the applicants would spend a great deal of time waiting in long lines, only to find that a majority of the programs lack available funds and must place them on a waiting list for future allocations.

The State Office of Community Operations administers AFDC through five offices scattered about the county. These determine eligibility as well for general assistance, child day care, energy assistance,

food stamps, foster care and displaced homemaker services. Eligible individuals can apply to JTPA through the county division for job training and development, employment services, the community college and a half-dozen private contractors. Medicaid is provided through the Utah medical assistance program of the state Department of Public Health, which operates a medical outreach clinic providing limited on-site medical services as well as referrals to specialists. Another division of the state health department administers the maternity and child health services block grant and is responsible for services to reduce infant mortality and promote the health of mothers and children.

One employment service office and one separate casual labor office serve the entire county for job placement services and unemployment insurance. There are numerous access points for servicing the aged population. The county alcoholism and drug abuse program operates one alcoholic counseling center and a separate drug referral center, but also contracts drug and alcohol services to a variety of other public and private providers. Those programs can be entered directly at any of the centers or through referral from the schools and courts. A county youth service center tries to divert runaway and ungovernable youth from the juvenile justice system through a variety of services and locations.

Salt Lake County and Salt Lake City have housing authorities that administer the rent subsidy program and operate public housing. Both administer self-sufficiency programs for single parents in either housing situation. The county housing authority receives rental rehabilitation block grant funds and assists property owners in obtaining financial assistance to make units safe and sanitary. Yet the waiting list for the 1,200 public housing and 2,000 rental subsidy units is two years long. Despite the rigorous winter climate, there are an estimated 1,500 homeless people in Salt Lake City, one third of them in families.

Education loans and grants are made available to eligible persons directly through the ten postsecondary education institutions in the county. The ten high schools and one community college administer vocational education. The four school districts provide child nutrition programs, including breakfast and lunches, and operate the federally funded programs for the educationally disadvantaged, an after-hours high school graduation program for pregnant teenagers and a GED program. The Salt Lake City school district operates an adult high school. Each school district operates a Head Start program, as does the private not-for-profit community action agency in each of its seven locations. The community action program also operates the weatherization program for the state energy office, distributes commodities provided by the Department of Agriculture, and operates food donation programs.

Aside from these state and county run programs, the Veterans' Administration provides medical care and pensions for low income veterans. Approximately 40 percent of those receiving medical care also meet the income requirement for veterans' pensions. The Department of Veterans Affairs and Federal Housing Administration also administer their mortgage loan guarantee programs, ostensibly to aid low and moderate income families. The Social Security Administration operates directly its income maintenance programs while the Internal Revenue Service administers the earned income tax credit and (jointly with the Department of Labor) the targeted jobs tax credit. All of these are accessed directly through the administering agencies. ACTION, the federal agency for voluntarism, funds VISTA volunteers to work on anti-poverty programs. There are two Job Corps centers in the state but these enroll few Utahns. Negotiations are currently underway to set aside a block of slots for Utah enrollees. The Church of Jesus Christ of Latter-day Saints, which enrolls 70 percent of Utah's population, operates its own separate welfare system which in 1987 dispensed $33.4 million in cash and commodities to its needy members within the state.

The Uintah Basin is a three-county area ringed by the Uintah Mountains and drained by the Green River, a major tributary of the Colorado. The three counties are joined into an association of governments and do much of their public

business through that entity. The three counties cover more than 10 percent of the state's land surface with a little over 2 percent of the total population. The population of only two towns exceeds 3,000, and both of these are county seats; the other six incorporated towns average a population of 800. The Uintah-Ouray Indian Reservation population of 2,200 looms large in that setting. The Uintah Basin is Utah's oil patch, but because all the rigs are idle, the population depends largely on subsistence farming, some ranching and a minor amount of tourism.

Most of the assistance and the agencies operating in Salt Lake County are also available in the Uintah Basin. However, these services are available only at two of the three county seats. Some Uintah Basin residents live as far as 100 miles from either of those centers and the area has no public transportation. Each of the two towns has an office of the Uintah Basin association of governments, an office of community operations, an employment office and an area vocational school. Medicaid is administered through the two hospitals in the three counties. The Farm Home Administration has offices in two locations and administers rural rent subsidies and interest subsidies. All other federally administered programs are available only through offices located in Salt Lake City. Application to federal housing and veterans programs is made directly to the federal agency offices in Salt Lake City. The public schools also administer their own programs with one school district for each county. The Indian reservation runs its own independent programs. With those exceptions, residents apply to every program identified through one of three offices in each of the two major towns. Cooperation is facilitated by the fact that the agency heads tend to be community leaders who serve on practically every board. They are also likely to be the lay church leadership in the overwhelmingly Mormon counties. Applicants still have to make the rounds of the individual agencies, but with the assurance that their cases will be jointly known and discussed. A weekly meeting is held for such non-binding coordination.

These Utah examples of extreme proliferation and diversification dramatize the need for the consolidation and integration Baltimore is already attempting. The Utah situation would vary only in detail from most areas of the country. However, those differences are sufficient to make the case that every community should be given the freedom to design its own delivery system within the limits of broad federal and state guidelines.

For shoring up the low income family, the essential element is that a qualified case manager sit down with all members of a family unit, jointly analyze their problems, and agree upon a family development plan involving a promised package of services and authority to commit the necessary resources. It would not be necessary that all of the selected services be delivered through a single agency, only that there be a single point of analysis and commitment.

■ The Vision

An intensive education campaign, involving television, printed media, supported by political, religious and community leaders, would advance the new approach. Each social welfare agency would be required to make its clientele aware of the family investment center and recommend access to it on a full family basis. The family investment manager would, in consultation with family members, review the problems of each member and agree upon a package solution. The estimated cost for each service would then be entered into a computer, which would attest to resource availability and obligate the amounts involved, leaving all other case managers and administrators aware of remaining resources in each city. The family investment manager would then make appointments for each family member at the agencies that supply the required service. The agencies would be required to report monthly progress to the investment manager, who could call in the families or visit them as appropriate. Monitoring and oversight would be state policy board responsibility.

The next generation of Paulettes, Charlenes and Daves, Johns and Glorias, Beckys and their children would make but one stop for analysis and resource

commitment to begin their progress toward family stability and self-sufficiency. The package of resources obligated and the program services committed would not only be conceptually appealing but, more important, would provide more interactive and effective help to program clients. To the degree resources are available, a needy family could find itself ensconced in subsidized housing and receiving food stamps, with one member enrolled in classroom training and substance abuse classes, another in an on-the-job training slot, preschool children in day care, a pregnant teenager receiving prenatal care while enrolled in a special program to complete high school, and another teenager receiving special tutoring and mentoring for school dropout prevention. Access to all resources would stem from a family investment center and a community commitment to join forces and change focus. The new focus would include five basic steps:

- collaborative planning and funding for comprehensive programs;
- ongoing inter-agency staff training;
- a case managed delivery system that permits program slots (service units) to be secured for family members who need them and provides oversight counseling and program cohesion;
- a service delivery system that involves reciprocal responsibilities by participants and providers; and
- a management system that tracks, measures, and reports outcomes, quality and costs of services.

We propose the family investment initiative in response to the ever escalating increase in poor female headed households over the last decade. These families are at great risk because of a plethora of education, health, employment, and behavioral problems. For too many years program administrators have been trying to make these families figure out how to fit into the separate bureaucratic systems that offer them services. Family investment centers will reverse this tendency of forcing the needy into procrustean beds, by extending to communities the opportunity to organize the systems to fit the family.

4 We Can Get There From Here

The operative concept underlying the family investment initiative is the need to bring entire families together in one setting to identify obstacles to the self-sufficiency of each individual and the family as a whole. An integrated package of services capable of alleviating those obstacles can be tailored and resources can be committed to accomplish the self-sufficiency objective. The services can then be delivered from the existing variety of sources, as long as there is common oversight and monitoring.

■ Eligibility

The effectiveness of all social welfare programs would be increased if the needs of constituents were pursued in the context of the family and household. However, because funding is inadequate, priority must be given to persistently poor and high risk families whose multiple disabilities may be perpetuated intergenerationally. Within this group, families dependent on welfare for two or more years, those headed by single young mothers, and the fathers of their children should be singled out for attention.

The eligibility requirements for programs in aid of low income families are highly diverse. Ideally there should be common criteria for eligibility, but much can be done without awaiting congressional action. The two most relevant programs that are (or should be) concerned with the self-sufficiency of the poor are the child support and jobs program provided by the 1988 welfare reform act (Family Support Act) and the job training components of JTPA. The starting point for analysis can be all persons eligible for and applying for either of those programs who live in households with children under 18 years of age, or non-custodial parents of such children. All applicants for either of these programs and all applicants for assistance from any program targeted to low income individuals and families should be assessed to ascertain whether they meet the family criteria and, if they do, should be referred for evaluation to a family investment center described below.

The aggregate of those eligible for one or both AFDC and JTPA will exceed the number of families that can be adequately served with the available resources. The nearly 3 million single mothers eligible for enrollment who are either unemployed or not in the labor force is about twice as high as the total number of people JTPA is reported to have served during one year. Experience dictates that intensive service to a few proves more effective than palliatives to many, although the political difficulties of such an approach are evident. The surplus of eligibles will differ markedly by location. Hence, local administrators will have to exercise difficult judgments on admission decisions.

Given the infirm structure of persistently poor and high risk families, households dependent upon AFDC for at least two years, or which are headed by single young mothers should receive priority. Intensive efforts should be made to identify absent fathers, and hold them accountable for the support of their offspring, but also to supply them with services designed to make that support possible. Beyond these criteria, state and local administrators should be allowed to set their own priorities within existing guidelines until provided with new uniform eligibility rules by congressional action.

■ Access and Management

Families eligible for the family investment initiative should be urged to apply for it and for all related low income programs through the family investment

centers designed for that purpose. These centers would have seven primary functions:

- screening the families eligible for participation in the family investment initiative and determine the programs that might contribute to self-sufficiency;
- analyzing the obstacles to self-sufficiency for each family member;
- developing with the family a package of services tailored to guide the family to self-sufficiency;
- negotiating with the family a social contract which includes the reciprocal responsibilities of each family member and of the social service system;
- committing the resources necessary to fulfill the public side of that social contract;
- assigning family members to committed services; and
- providing oversight and monitoring to assure quality delivery of services and family commitment to the social contract.

Beyond the determination of eligibility, the other six family investment center functions would be accomplished by a case investment manager assigned full responsibility for working with each family. The family investment manager would be assigned a caseload sufficiently small as to allow for monthly follow-up in order to determine that each family member is fulfilling the social contract and each agency is delivering the committed services. Incentives should be devised to encourage fulfillment of the contract; but sticks should be available as well as carrots. Subject to appeal, sanctions for failure of the family or its members to meet their commitments would consist of suspension or denial of any appropriate portion of further services, including partial denial of income support. Perceived failure in the quantity or quality of service delivery would be reported to the head of the agency responsible and, in case of inadequate response, to the community policy board, the body responsible for policy formulations and overseeing its implementation.

To avoid disruption of staff careers, persons who would be displaced by shift of the intake and assessment function should be given first consideration for assignment as investment managers. Because this job will require expertise in many areas, an intensive staff training effort will be necessary to prepare family investment managers for their demanding role. Standards should be nationwide, subject to appropriate adaptation by those who supply the training at the state or local level. No agency personnel should be deprived of their legitimate career expectations by the introduction of the family investment initiative.

■ Resource Commitment

Many of the poor are not members of families with children and others may not be selected for participation because of inadequate funds. It is therefore not contemplated that all poverty resources be committed to the family investment initiative. But because every member of a participating family should be served only within the family setting to encourage preservation of the family unit, funds allocated to the initiative should comprise the major effort on behalf of self-sufficiency for low-income families. The proportion of low-income people who fit within such units will vary community by community and state by state.

Each governor should have the authority to commit to the family investment initiative, within federally prescribed limits, substantial portions of that state's share of the budgets of every federal program capable of contributing to self-sufficiency for persistently poor and high risk families. Mayors and elected county officials would have similar authority within their boundaries, but subject to state approval. The 20 programs listed in the Appendix (Table 2) would be the heart of that effort. The governor should have the authority to vary that proportion among communities within the state as needs and conditions dictate. Investment managers would have control over the assigned percentage of funds from the 20 antipoverty programs and would act as advocates of their assigned families in pursuing access to the resources of other education, training, health care, housing, and income maintenance programs as well.

Upon approval by the family investment center director, the funds necessary for the services committed to each family would be locked in by computer with each service delivery agency along with the names of the family members to receive each service. Pending availability of such computer linkages, the necessary information would be transmitted manually. The family investment centers would leave service delivery to the appropriate agencies. However, a major goal of the family investment initiative should be to bring as many services as possible to a common site.

■ If There is A Will...

Like any major antipoverty initiative, the proposed program will require a sustained commitment from policymakers and program administrators at all levels of government. Such a comprehensive proposal will encroach on the turf of numerous congressional committees, executive departments and agencies, state and local officials, and interest groups. Success will require convincing all these participants that a comprehensive program will be far more effective than the current segmented approach. It will best be understood and managed at the local, client based service delivery level.

The president by executive order could and should undertake the initiative, much of which can be done while awaiting congressional action. Each governor could go a long way toward the objective even while operating within current federal regulations. Congress must deliberate, but can begin the initiative with an early endorsement. The erosion of the American family is a fact of life. Persistently poor families bear the brunt of that erosion, yet they are not beyond help. Just as each social ill interacted to drag the family down, the alleviation of disability can be turned into positive leverage, lifting the family toward self-sufficiency. Much can be accomplished with the limits of current scarce resources. Why not do it now?

APPENDIX

The appendix provides detailed data for afficionados. The calculations are from varied and not entirely consistent sources.

Table 1. Major antipoverty programs and their fiscal 1987 federal, state and local spending as identified by the Congressional Research Service (page 43)

Table 2. Antipoverty allocations by program and state for 20 programs compiled from Office of Management and Budget data for fiscal years 1987 and 1988 (page 45)

Table 3. Summary descriptions of the same 20 antipoverty programs (page 51)

APPENDIX TABLE 1

Major Antipoverty programs
(FY87)

	Federal spending (millions)	State/Local spending (millions)	Recipients (thousands)
Cash			
AFDC	$9,987	$8,453	11,064
Earned income tax credit	4,067	--	8,123 families/year
Veterans benefits	3,793	--	1,311/month
General assistance	--	2,535	1,193/year
Foster care	690	632	113/month
Health care			
Medicaid	27,960	22,050	23,335/year
Veterans	5,035	--	369/year
General assistance	--	3,370	NA
Indian health services	929	--	1,017/year
Maternal and child health services block grant	497	316	NA
Community health centers	420		5,500/year
Food			
Food stamps	12,479	996	20,600/month
School lunch	3,281	NA	11,600/day
WIC	1,664	NA	3,430/month
Temporary emergency food assistance	896	NA	15,000/month ('86)
School breakfast	459	NA	3,200/day
Child care food program	342	NA	526/day
Summer food service program for children	129		1,935/month
Housing			
Section 8	8,125	NA	2,240/month
Community development block grant	2,991	NA	NA
Low rent public housing	2,161	NA	1,390/month
Energy assistance	1,731	207	6,300/year
Section 502 rural housing loans	1,144	--	24/year
Section 236 interest reduction	638	--	528/month
Section 515 rural rental housing loans	555	--	528/month
Section 521 rural rental assistance	275	--	25/year
Section 235	182	--	159/month
Weatherization assistance	161	5	107/year

APPENDIX TABLE 1, continued

	Federal spending (millions)	State/Local spending (millions)	Recipients (thousands)
Education			
Pell Grants	3,580	--	745/year
Guaranteed student loans	3,179	--	3,300/year
Compensatory education	3,210	?	?
Headstart	1,102	276	447/year
College work-study	567	--	753/year
Supplemental educational opportunity grants	395	--	689/year
Vocational education	152	152	NA
Perkins loans	210	--	880/year
TRIO	169	--	488/year
Adult education	106	175	2,500/year
Employment and training			
Minimum wage	--	--	6,800/year
Job training partnership act	3,656	NA	2,215/year
Employment service	723	--	?
Targeted jobs tax credit	239 ('88)	--	622/year ('85)
WIN	126	14	914/year
Services			
Title XX	2,584	1,519	NA
Community services block grant	409	--	NA
Legal services	306	--	NA
Family planning (Title X of Public Health Service Act)	143	65	NA

APPENDIX TABLE 2
Antipoverty allocations by program and state

STATE	AFDC FY-88	JTPA 6/88	Wagner-Peyser 6/88	WIN FY-88	Perkins Act 6/88	Chapter I 9/87	School lunch FY-87	Summer lunch FY-87
Alabama	56,720,000	57,325,766	11,673,821	854,118	16,751,404	73,202,880	72,793,448	3,405,979
Alaska	32,172,000	7,722,972	8,057,199	244,514	2,324,811	12,940,443	7,193,469	5,371
Arizona	69,119,000	29,452,650	8,651,893	650,976	10,996,063	41,975,301	34,657,009	718,890
Arkansas	42,870,000	30,454,961	7,511,915	533,961	9,393,028	47,543,602	35,895,582	110,039
California	2,319,054,000	264,149,826	74,016,940	12,677,750	72,931,658	419,368,601	311,527,478	10,650,834
Colorado	73,893,000	28,759,754	9,568,064	1,366,274	10,123,266	38,339,635	27,176,883	662,643
Connecticut	122,421,000	19,465,187	8,494,432	1,343,399	8,850,788	43,646,364	20,821,650	1,076,498
Delaware	15,756,000	6,326,076	2,070,301	314,618	3,959,981	13,666,493	4,954,343	742,492
D.C.	58,432,000	11,939,977	5,589,110	893,734	3,714,013	19,406,227	9,053,100	352,297
Florida	223,629,000	84,758,541	29,388,812	1,398,378	34,237,288	175,076,821	124,293,670	6,078,959
Georgia	198,059,000	52,858,062	15,959,828	1,526,359	23,399,848	96,925,563	94,567,782	3,576,058
Hawaii	51,448,000	8,248,897	2,990,601	541,760	4,195,638	11,146,597	14,726,591	321,914
Idaho	18,347,000	12,391,552	6,713,079	605,696	4,213,887	13,760,612	12,003,112	50,182
Illinois	461,949,000	150,032,507	34,713,003	4,574,633	36,996,547	186,709,757	115,063,773	4,792,331
Indiana	125,853,000	60,398,765	15,683,169	1,202,765	21,187,547	60,171,368	44,812,374	1,350,175
Iowa	109,371,000	31,106,648	9,543,947	998,761	10,570,252	30,945,164	29,992,374	620,104
Kansas	64,054,000	14,946,914	6,485,029	679,185	8,078,481	29,022,267	24,013,515	462,223
Kentucky	122,844,000	55,856,605	10,740,034	910,514	15,611,872	65,830,049	56,942,844	1,089,285
Louisiana	137,508,000	84,783,927	14,244,118	675,738	18,660,433	93,430,477	93,647,327	2,539,614
Maine	60,219,000	9,697,238	3,992,205	520,658	4,633,967	18,968,484	11,322,979	238,915
Maryland	149,779,000	29,771,036	11,421,189	1,750,567	13,697,529	62,623,771	34,986,484	1,208,722
Massachusetts	326,727,000	40,674,486	14,892,748	3,050,832	18,194,316	95,689,040	40,824,253	1,696,463
Michigan	810,470,000	126,604,466	27,509,718	6,669,752	32,986,658	152,541,636	73,917,900	4,237,158
Minnesota	204,756,000	33,587,493	12,027,826	1,852,573	14,265,199	44,394,397	35,619,428	1,124,518
Mississippi	74,857,000	44,554,194	8,263,035	702,766	11,170,705	68,052,387	68,217,989	3,964,275
Missouri	142,147,000	44,659,751	13,725,243	1,310,061	17,778,990	58,447,298	52,450,654	1,243,862
Montana	31,765,000	9,837,851	5,485,964	424,776	4,188,159	12,160,216	8,259,841	201,938
Nebraska	42,061,000	11,354,567	6,593,049	319,891	5,665,519	18,676,533	15,657,577	222,578
Nevada	12,412,000	10,163,653	5,332,934	268,277	4,168,835	7,160,865	5,580,593	27,993
New Hampshire	10,269,000	6,319,933	2,619,208	190,715	4,201,357	9,054,032	5,554,423	152,898
New Jersey	329,063,000	57,813,787	20,411,583	3,535,722	20,582,852	122,533,210	56,759,638	3,590,495
New Mexico	49,919,000	20,580,458	6,156,215	395,664	6,040,546	29,440,239	26,186,833	1,299,027
New York	1,297,191,000	170,102,727	57,589,813	7,998,691	53,862,470	400,858,447	202,339,775	27,889,349
North Carolina	157,432,000	49,033,933	16,509,891	1,310,927	25,661,688	87,956,946	83,629,185	2,124,284

Appendix Table 2, Cont.

STATE	AFDC FY-88	JTPA 6/88	Wagner-Peyser 6/88	WIN FY-88	Perkins Act 6/88	Chapter I 9/87	School lunch FY-87	Summer lunch FY-87
North Dakota	17,134,000	6,456,118	5,586,351	206,744	4,166,224	9,233,866	7,249,641	162,206
Ohio	523,885,000	134,865,417	31,520,673	5,139,839	38,871,889	133,064,660	100,788,545	1,783,235
Oklahoma	89,631,000	35,765,960	13,167,473	556,986	11,969,380	37,549,787	39,478,715	447,538
Oregon	96,607,000	35,962,163	9,214,499	2,573,095	9,187,023	40,933,395	23,298,523	532,340
Pennsylvania	518,415,000	128,134,015	32,268,615	4,201,119	41,193,884	196,314,774	95,699,067	6,904,560
Rhode Island	53,033,000	8,164,586	2,772,495	532,411	4,204,068	14,131,007	7,164,409	689,800
South Carolina	88,216,000	33,501,038	8,889,369	662,035	14,403,460	55,323,085	57,352,633	3,774,714
South Dakota	18,645,000	6,343,016	5,163,073	397,025	4,174,754	10,683,682	10,655,072	485,733
Tennessee	102,271,000	57,097,298	13,462,624	908,243	19,353,345	75,069,456	62,567,139	1,379,269
Texas	239,404,000	187,814,617	48,715,371	1,913,384	56,651,005	296,084,116	242,018,662	3,059,211
Utah	52,864,000	11,746,841	11,292,269	1,379,577	6,751,066	13,791,602	20,142,060	109,909
Vermont	31,546,000	6,284,287	2,418,680	691,800	4,102,144	10,127,957	3,916,622	36,794
Virginia	116,364,000	42,114,640	15,059,997	1,326,808	19,570,814	69,205,225	53,130,951	1,436,070
Washington	236,795,000	49,893,047	12,804,239	3,977,552	14,178,666	57,741,615	36,505,261	352,730
West Virginia	88,791,000	32,419,937	5,909,648	1,273,757	7,709,070	33,338,582	27,011,594	500,863
Wisconsin	349,471,000	46,484,329	13,585,678	3,644,643	17,548,807	56,000,848	39,816,956	625,957
Wyoming	12,248,000	6,533,085	4,005,762	144,119	2,737,839	5,856,805	4,337,183	59,045
Puerto Rico	35,872,000	102,780,574	8,950,480	564,324	15,159,283	115,084,380	96,943,698	3,107,117
Others	18,095,000	6,334,133	1,806,788	162,534	1,912,658	14,815,635	13,372,405	340,647
Total	$10,691,853,000	$2,614,410,261	$741,220,000	$92,551,000	$847,140,974	$3,906,016,199	$2,796,893,012	$113,616,101

Source: U.S. Departments of Agriculture, Education, Energy, Health and Human Services and Labor.

APPENDIX TABLE 2, Continued

State	Voc. rehab. FY-88	Public housing subsidies: Operations FY-86	Public housing subsidies: Modernization FY-86	Public housing subsidies: Rent FY-87	Food stamps FY-87	WIC FY-88	Head start FY-87	Medicaid FY-87
Alabama	31,584,445	30,100,000	18,200,000	8,678,797	257,181,289	38,736,472	22,376,450	365,918,623
Alaska	4,586,837	NA	5,500,000	2,372,928	26,063,312	4,030,456	2,320,124	76,964,296
Arizona	17,623,472	13,000,000	5,800,000	5,485,651	119,544,000	32,629,680	9,626,604	NA
Arkansas	18,497,723	7,500,000	7,300,000	6,124,126	120,751,000	23,501,390	11,565,811	482,217,008
California	108,108,491	28,700,000	18,400,000	104,380,796	615,745,000	160,929,752	105,850,403	4,816,249,903
Colorado	15,323,114	4,800,000	2,300,000	28,359,620	112,735,000	18,218,108	10,173,274	408,959,473
Connecticut	11,776,307	22,700,000	19,500,000	5,968,997	48,249,000	26,244,794	10,405,711	748,825,296
Delaware	4,586,837	4,500,000	2,300,000	incl. in Pa.	16,514,000	4,204,000	2,349,612	89,933,752
D.C.	8,264,151	29,500,000	-0-	15,852,312	32,459,000	6,014,363	6,379,754	358,277,770
Florida	57,738,502	34,500,000	14,600,000	28,772,593	366,945,609	63,680,052	30,510,213	1,177,980,445
Georgia	38,351,737	37,800,000	23,700,000	10,467,872	277,143,672	58,077,677	26,033,958	901,189,939
Hawaii	4,842,415	400,000	3,700,000	2,021,629	85,319,000	7,788,859	4.103,227	138,817,337
Idaho	6,520,906	400,000	100,000	incl. in Wash.	37,222,000	9,790,378	3,106,789	88,775,898
Illinois	53,025,916	125,200,000	34,100,000	55,492,585	702,547,000	71,983,613	55,152,729	1,744,618,346
Indiana	34,556,097	15,400,000	6,900,000	incl. in Ill.	200,156,000	34,405,794	15,342,197	923,666,014
Iowa	16,933,248	100,000	200,000	5,830,374	106,709,000	17,383,904	8,116,250	421,843,611
Kansas	13,205,635	4,300,000	1,900,000	8,298,694	69,670,000	15,707,384	6,875,530	281,803,880
Kentucky	28,093,928	17,900,000	10,400,000	7,584,429	302,518,000	36,046,612	21,280,884	606,253,500
Louisiana	31,768,489	21,700,000	15,200,000	16,925,974	417,058,000	53,001,870	23,150,267	824,068,189
Maine	8,465,158	2,700,000	3,800,000	incl. in Mass.	49,639,000	9,569,656	4,574,988	303,118,200
Maryland	20,229,430	37,300,000	19,100,000	5,066,356	159,187,826	21,739,776	14,523,849	765,001,496
Massachusetts	29,134,966	30,900,000	46,000,000	22,439,620	139,372,000	29,484,448	24,099,664	1,843,971,377
Michigan	49,682,813	98,600,000	10,800,000	9,881,236	472,805,000	63,666,989	45,411,685	1,823,426,565
Minnesota	23,374,805	9,000,000	9,400,000	6,042,293	107,280,490	26,773,439	11,631,710	1,096,845,793
Mississippi	23,238,603	5,200,000	3,900,000	5,722,819	283,589,000	37,166,990	53,801,725	362,563,275
Missouri	31,417,148	15,700,000	3,100,000	5,923,438	209,888,000	34,350,303	19,071,454	619,126,377
Montana	5,430,804	3,400,000	5,300,000	incl. in Colo.	33,075,000	6,919,901	2,743,781	122,392,781
Nebraska	9,238,081	3,200,000	3,300,000	4,969,826	49,795,000	10,775,590	4,512,580	215,299,983
Nevada	4,586,837	4,800,000	2,800,000	incl. in Calif.	23,472,000	6,883,603	1,556,029	86,105,617
New Hampshire	5,556,681	1,100,000	1,600,000	6,125,777	9,956,000	6,956,842	2,069,496	141,590,468
New Jersey	31,018,877	65,600,000	62,600,000	18,895,379	256,219,469	38,407,201	32,476,155	1,565,374,516
New Mexico	10,416,388	2,500,000	3,300,000	incl. in Tx.	94,098,000	16,197,873	6,498,960	182,739,544
New York	81,968,190	218,100,000	126,200,000	37,251,677	896,324,000	145,243,272	81,481,278	8,840,640,250
North Carolina	43,874,294	25,200,000	13,400,000	13,661,504	220,258,001	51,966,532	23,064,327	825,271,802

Appendix Table 2, Continued

State	Voc. rehab. FY-88	Public housing subsidies: Operations FY-86	Public housing subsidies: Modernization FY-86	Public housing subsidies: Rent FY-87	Food stamps FY-87	WIC FY-87	Head start FY-87	Medicaid FY-87
North Dakota	4,586,837	2,900,000	500,000	incl. in Colo.	18,673,000	6,775,417	1,629,179	165,191,868
Ohio	64,596,567	65,900,000	24,000,000	26,592,577	691,816,866	76,484,019	45,221,298	2,377,350,736
Oklahoma	20,769,322	7,600,000	11,000,000	12,821,269	156,174,000	28,056,005	13,265,467	502,184,158
Oregon	15,502,815	5,100,000	4,300,000	8,757,190	137,677,000	17,706,182	8,756,034	253,738,357
Pennsylvania	69,992,478	106,600,000	51,800,000	18,177,701	524,243,000	68,486,115	46,481,323	2,077,412,638
Rhode Island	5,628,103	6,400,000	5,700,000	3,079,271	30,973,000	7,652,577	3,537,408	295,536,642
South Carolina	25,187,129	6,400,000	9,000,000	7,154,963	159,256,000	37,970,284	14,308,615	421,761,721
South Dakota	5,038,273	6,400,000	1,300,000	incl. in Colo.	29,733,000	7,777,400	2,552,629	115,850,364
Tennessee	34,502,195	35,800,000	14,100,000	8,796,538	283,588,776	38,738,535	19,558,754	811,408,138
Texas	88,654,516	38,000,000	29,400,000	54,997,523	877,435,000	121,347,522	50,123,948	1,767,349,460
Utah	11,150,539	1,200,000	200,000	incl. in Colo.	47,584,000	17,656,582	4,716,199	152,014,707
Vermont	4,586,837	800,000	1,000,000	incl. in Mass.	16,876,000	7,347,085	2,218,403	103,478,699
Virginia	30,738,720	23,500,000	29,300,000	5,773,983	174,737,646	35,229,838	15,607,464	661,653,095
Washington	21,624,396	10,000,000	2,800,000	18,400,522	156,703,000	24,428,730	12,480,785	758,739,476
West Virginia	15,104,714	6,500,000	4,500,000	6,272,844	155,381,000	15,473,595	9,334,057	243,761,585
Wisconsin	29,210,649	5,800,000	5,400,000	12,139,465	146,244,000	28,418,404	16,417,846	1,003,504,798
Wyoming	4,586,837	600,000	100,000	incl. in Colo.	16,185,000	4,225,975	1,494,024	44,834,295
Puerto Rico	37,269,287	NA	NA	16,798,049	NA	74,589,472	45,229,481	159,952,657
Others	3,053,575	NA	NA	NA	34,615,947	6,171,362	87,271,608	4,575,620
Total	$1,374,805,114	$1,251,300,000	$699,100,000	$648,359,197	$10,577,384,903	$1,813,012,672	$1,102,441,990	$45,170,130,338

Sources: U.S. Departments of Agriculture, Education, Energy, Health and Human Services and Labor.

Appendix Table 2, Continued

State	Block Grants				Total	% of the total	People in poverty	% Share of poverty
	Soc. Serv. FY-88	Commun. Dev. FY-87	Mater. & child health FY-89	Commun. Serv. FY-88				
Alabama	46,060,176	46,802,000	10,405,325	6,203,050	$ 1,533,150,480	1.470	762,281	2.23
Alaska	5,968,006	3,162,000	950,221	756,472	218,339,977	0.209	48,480	0.14
Arizona	36,506,785	28,381,000	4,902,440	2,761,453	614,204,091	0.589	554,554	1.62
Arkansas	27,022,123	24,317,000	6,235,098	4,600,439	1,102,756,311	1.057	560,694	1.64
California	302,008,592	301,707,000	28,767,330	30,175,810	11,759,679,639	11.274	3,402,960	9.96
Colorado	37,010,801	25,815,000	6,359,763	2,939,924	983,827,484	0.943	283,821	0.83
Connecticut	36,357,871	33,982,000	4,249,028	4,083,248	1,291,425,768	1.238	217,833	0.64
Delaware	7,124,951	6,489,000	1,832,562	894,690	210,753,681	0.202	63,242	0.19
D.C.	7,170,771	16,922,000	6,862,664	5,558,198	656,520,729	0.629	131,664	0.39
Florida	130,196,459	117,609,000	14,372,498	9,836,190	3,351,578,316	3.213	1,669,003	4.88
Georgia	68,454,517	60,792,000	13,922,292	9,101,908	2,413,483,926	2.314	987,467	2.89
Hawaii	12,073,471	13,734,000	1,999,772	1,414,292	407,637,520	0.391	96,348	0.28
Idaho	11,512,180	7,310,000	2,876,530	877,674	273,832,489	0.263	172,827	0.51
Illinois	132,132,339	160,274,000	18,967,181	15,985,007	4,776,048,380	4.579	1,728,750	5.06
Indiana	62,990,527	58,014,000	10,622,271	4,926,076	1,891,526,099	1.813	708,468	2.07
Iowa	33,035,948	33,265,000	6,106,962	3,661,835	999,940,129	0.959	423,984	1.24
Kansas	28,064,519	23,014,000	4,149,557	2,761,540	695,066,026	0.666	261,187	0.76
Kentucky	42,680,979	42,729,000	10,224,685	5,705,054	1,772,403,687	1.699	711,093	2.08
Louisiana	51,329,433	55,885,000	11,336,786	7,946,211	2,376,421,934	2.278	919,172	2.69
Maine	13,333,510	14,186,000	3,199,489	1,776,642	578,452,932	0.555	150,410	0.44
Maryland	50,309,946	47,724,000	11,088,435	4,641,941	1,653,576,468	1.585	378,189	1.11
Massachusetts	66,690,462	89,193,000	10,427,605	8,434,668	3,145,606,531	3.016	515,755	1.51
Michigan	104,102,184	119,826,000	16,734,163	12,534,142	4,505,335,497	4.319	1,513,020	4.43
Minnesota	48,030,420	48,042,000	8,304,393	4,069,779	1,904,937,777	1.826	378,833	1.11
Mississippi	29,931,669	32,105,000	8,637,023	5,371,585	1,440,221,280	1.381	652,349	1.91
Missouri	57,606,721	63,121,000	10,912,885	9,363,695	1,673,682,711	1.605	725,580	2.12
Montana	9,461,752	6,710,000	2,117,556	1,116,488	309,866,604	0.297	113,574	0.33
Nebraska	28,396,579	16,035,000	3,683,369	2,356,812	504,576,553	0.484	213,465	0.62
Nevada	10,721,792	7,277,000	1,137,209	894,690	223,661,154	0.214	96,180	0.28
New Hampshire	11,431,996	9,005,000	1,858,390	916,257	257,694,739	0.247	69,438	0.20
New Jersey	86,621,998	95,160,000	10,506,483	9,271,112	3,192,989,240	3.061	759,318	2.22
New Mexico	16,609,613	13,388,000	3,427,935	1,888,451	583,690,415	0.560	278,265	0.81
New York	203,702,590	314,086,000	35,216,060	29,364,664	14,547,673,864	13.947	2,836,320	8.30
North Carolina	71,650,436	53,544,000	14,641,161	8,853,905	2,163,136,389	2.074	900,674	2.64
North Dakota	7,846,610	5,953,000	1,703,575	826,806	299,382,494	0.287	105,798	0.31
Ohio	123,071,508	139,190,000	19,570,393	13,191,540	5,160,515,986	4.948	1,450,170	4.24

Appendix Table 2, Cont.

State	Block Grants				Total	% of the total	People in poverty	% Share of poverty
	Soc. Serv. FY-88	Commun. Dev. FY-87	Mater. & child health FY-89	Commun. Serv. FY-88				
Oklahoma	37,812,644	24,857,000	6,046,120	4,242,920	$1,234,689,344	1.184	441,693	1.29
Oregon	30,779,332	23,998,000	5,309,926	2,710,460	846,683,765	0.812	342,912	1.00
Pennsylvania	135,774,999	191,427,000	21,819,385	14,328,082	4,921,002,666	4.718	1,855,152	5.43
Rhode Island	11,088,349	14,471,000	1,476,487	1,869,817	520,609,096	0.499	122,880	0.36
South Carolina	38,339,570	32,192,000	10,287,804	5,199,739	1,265,628,256	1.213	566,912	1.66
South Dakota	8,110,073	7,170,000	2,078,913	887,337	284,361,511	0.273	102,225	0.30
Tennessee	54,548,261	47,173,000	10,247,899	6,669,199	2,059,793,781	1.975	822,672	2.41
Texas	187,516,808	174,271,000	25,261,211	16,294,682	5,269,601,505	5.052	2,525,031	7.39
Utah	18,843,320	15,613,000	5,502,328	1,288,505	444,096,220	0.426	180,153	0.53
Vermont	6,128,375	5,617,000	1,607,590	948,182	233,996,629	0.224	66,780	0.20
Virginia	65,361,693	48,161,000	11,130,512	5,417,726	1,675,585,962	1.606	563,500	1.65
Washington	50,504,680	41,758,000	7,428,633	3,956,626	1,713,117,143	1.642	491,437	1.44
West Virginia	22,176,698	21,739,000	5,867,622	3,786,343	846,294,055	0.811	456,768	1.34
Wisconsin	54,697,175	52,680,000	9,847,236	4,116,140	2,109,153,015	2.022	738,265	2.16
Wyoming	5,830,547	3,072,000	1,110,696	894,690	125,244,384	0.120	53,865	0.16
Puerto Rico	14,224,138	NA	13,635,090	14,254,654	754,414,684	0.723	NA	NA
Others	NA	NA	3,533,459	NA	525,875,273	0.504	NA	NA
Total	$2,748,956,896	$2,838,947,000	$470,500,000	$321,927,350	$104,303,744,589	1.00	34,171,411	

Sources: U.S. Departments of Agriculture, Education, Health and Human Services, Housing and Urban Development, Labor, Bureau of Census.

APPENDIX TABLE 3
Poverty programs
(FY 1988)

	AFDC	JTPA Title II A	JTPA Title II B
Objectives	To encourage care of dependent children in own homes and help families attain self-sufficiency.	Assist low income people and those with significant barriers to employment become self-sufficient.	Work experience, basic education and incentives to stay in school for low income youth.
Eligible population	Needy families with children under 18 whose family income is below 188% of state's need standard (with disregards from JTPA, college work/ study).	Below poverty or 70% of lower living standard--handicapped, food stamp and welfare recipients, foster children and 10% window.	Ages 14-21 from families with incomes below federal poverty line of 70% of Lower Living Standard.
Types of service	Monthly cash grants to cover food, rent, utilities, transportation, fuel, clothing, personal care.	Remedial ed., classroom training, counseling, OJT, job search assistance, support services to permit participation.	Full or part-time jobs at public institutions plus remedial and literary education.
Governance/ management	State administered with annual plan to HHS and has latitude on eligibility, level of assistance and need standards.	Block grants to states with mandatory pass-through to service delivery areas. SDA planning by PICS. State plans reviewed by state JTCC.	See Title II A
Delivery system	Application to state or local welfare office as determined by state.	SDA's design program for direct delivery or contract with public or private organizations.	Grants to states suballocated by formula to local service delivery areas which design and administer own program.
Performance measures	Audits for quality control for ineligibles or overpayments Federal match withheld from states with excessive error rates.	Federal performance standards adjusted to meet local conditions, types of service and clientele.	None
FY 88 funding	$10.3 billion/local match required. Federal share 50% - 83%.	$1.8 billion.	$750 million
Comments	Only 1/3 of states pay full need.		

	JTPA Title III	WAGNER-PEYSER	WIN
Objectives	Help displaced workers become reemployed.	To provide labor exchange for job seekers and employers.	To reduce AFDC caseloads and expenditures by providing employment related service to AFDC recipients in pursuit of self-sufficiency
Eligible	Terminated or laid-off by plant closing or major layoff or received notice thereof and unlikely to return to occupation.	No restriction	AFDC recipients 16 or older must enroll unless exempted for child care, full-time school, at least 30 hrs./week employment, illness or disability.
Types of service	Classroom training, on-the-job training, remedial education, job search assistance, support services.	Occupational assessment, job matching and referral, recruitment and screening, alien certification, JTPA and Targeted Job Tax Credit certification, unemployment insurance administration, job search training and registration, labor market information.	Job search, counseling, training, remedial education, child care, transportation, stipends, referral to employment.
Governance/ management	Block grants to states with mandatory pass-through to service delivery areas. SDA plans reviewed by state Job Training Coordinating Council.	State agency operating with federal funds and within broad federal policies.	Joint administration by state JTPA agency and welfare agency. WIN demonstration by welfare agency.
Delivery system	SDAs design program for direct delivery or contract with public or private organization.	Joint planning with State Job Training Coordinating Council and local private industry council. Service delivery through local Job Service offices.	Employability development plan developed with welfare caseworkers with services provided by referral from other public & private organizations.
Performance measures	See Title II A	Performance standards issued by DOL to evaluate state and local operation.	Audits and performance evaluations stressing placement and placement wages.
FY 88 funding	$287 million	$995.8 million	$92.5 million
Comments		In many states Job Service and JTPA duplicate services with minimum coordination.	

	Vocational education basic	Chapter I	School lunch
Objectives	Grants to states to improve, modernize and develop quality voc. ed. programs.	To supplement local educational services to meet extraordinary needs of educationally deprived children.	Health and nutrition of low income children.
Eligible population	Below poverty income or AFDC eligibility, handicapped, limited English, ex-offenders, single parents.	Grants to local schools with high numbers of educationally deprived students performing below grade level.	Household income not above 130% of poverty to free and 185% of poverty for reduced price lunches.
Types of service	Foster cooperation--school and industry; train displaced worker, improve academic preparation of voc. student support scene.	Remedial education, pre-school education, supplemental summer education, capital costs, in-service teacher training.	One lunch per day per student at no or 40 cent cost at public or non-profit private, elementary or high school.
Governance/ management	U.S. Dept. of Education grants to states and local districts; two-year plans developed by state boards.	Federal funds distributed by formula through state to local education agencies	Dept. of Agriculture Food and Nutrition Service.
Delivery system	State and local education agencies and schools	Local education agencies plan and administer	State education agencies through local school districts and schools
Performance measures	N.A.	States audit and monitor local compliance	Accurate accounting, nutrition levels of food content, monitoring for overpayment
FY 88 funding	$888 million	$4.3 billion. States receive proportionate share based on number of children in poverty households or on AFDC.	$3.0 billion and 30% state match
Comments	Increased potential for coordination with JTPA - as both systems focus on at-risk youth.		One-half also receive food stamps; history of over-payment.

	Summer lunch	Vocational rehabilitation	Public housing
Objectives	Nutritional meals for low income children while out of school	Employability development for physically and mentally disabled adults	To provide safe and sanitary housing for low income families
Eligible	Children under 18 in areas where 50% of children eligible for free reduced price meals during school	Handicapped in one or more major life functions. No income limits but 60% below poverty threshold	Income less than 80% of area median. Ability to pay rent of 30% of income and not pose threat to neighbors
Types of service	One meal per day to all children who come to program site	Diagnostic tests, counseling, education, job training, tools, reader service, prosthetic devices, medical services (with co-payment), placement	Development, modernization and operation of public housing and rent subsidies in private housing
Governance/ management	U.S. Dept. of Agriculture, Food and Nutrition Service provides 100% support to state agency	U.S. Dept. of Education grants to states within broad guidelines	HUD through states to local public housing authorities
Delivery system	State education agency agreement with local school districts	State agency operates directly or subcontracts to private, non-profit organizations	Local PHA administers
Performance measures	None	None	HUD performs occupancy audits, management reviews and engineering reviews
FY 88 funding	$137.6 million	$1.6 billion, 20% state match	$2.4 billion
Comments	None		HUD Project Self-Sufficiency demonstration to provide child care, job training and education. Financial incentives to encourage tenant management programs

	Food stamps	WIC	Head start
Objectives	To improve diets of low income households	Improve health of low income persons through nutritious food and nutrition education	To improve the abilities of low income, disadvantaged children to develop and succeed in school and later life and to encourage parents to actively participate
Eligible population	Gross household income below 130% of poverty and net income after exclusion 100% of poverty. Liquid assets less than $3,000. All SST & AFDC recipients eligible	Pregnant, postpartum or breast feeding women and infants and children under 5 yrs. from households up to 185% of poverty	AFDC recipients and families with incomes below poverty line with 10% exception for others with extraordinary need
Types of service	Monthly food coupons redeemable at grocery stores for food purchase. Allotment based on household size and income.	Nutrition information and education and food vouchers or direct distribution of food	Education and development programs, medical services, prevention and wellness programs, food and nutrition services, parent education social services
Governance/ management	Dept. of Agriculture, Food and Nutrition Service grants to states for administrastion by welfare agencies	Dept. of Agriculture, Food and Nutrition Service	HHS contracts directly with local government or other public or private institutions
Delivery system	State and local welfare agencies responsible for certification and issuance	Through State Health Department to local agencies to food vendors for retail stores, home delivery or food pickup at central distribution point	Grantees operate all services except may purchase health care, transportation, etc.
Performance measures	Income verified through quarterly wage reporting system. Penalty for overpayment or excessive error rate through reduced administrative funds to state	Reports and audits	None
FY 88 funding	$13.5 billion	$1.8 billion	$1.2 billion; 20% cash or inkind match required

	Medicaid	Social service block grants	Community development block grants
Objectives	To provide medical care for AFDC and SSI recipients	To provide services to prevent, reduce or eliminate dependency, prevent child and spouse abuse, strengthen or reunite families and reduce institutionalization	Support and stimulate development of economically depressed neighborhoods, stimulate job creation, improve community services and provide services to disadvantaged persons
Eligible population	All AFDC and SSI recipients must be covered. States have discretion to cover others who need medical services for which they cannot pay	State-determined	Depressed large counties and cities Small communities apply and compete for funds awarded to state
Types of service	Any medical care except abortion	Training, transportation, in-home services, emergency medical	Slum demolition, housing rehabilitation, skill training, direct human and community services
Governance/ management	Grants to states which have broad discretion to design and administer with state match ranging from 17% to 50% depending upon state's average per capita income	States must submit pre-expenditure plan detailing expected services and eligibility standards. States operate programs, subcontract or purchase services	Distressed large counties and cities apply directly to HUD for block grants. States receive funds and may administer or distribute funds directly for populations below 50,000
Delivery system	Application at state or local welfare office for AFDC recipients; at Social Security offices for SSI. Services by medical practitioners and facilities	State determined, usually through state's welfare delivery system	Direct municipal services, subcontracts with private-for-profit or not-for-profit organizations
Performance measures	Error rates	None	Local plans monitored by HUD according to performance standards in plans
FY 88 funding	$30.8 billion	$2.7 billion distributed on state's proportionate share of U.S. population	$2.9 billion. Distributed by population growth and loss, extent of overcrowded and pre-1940 units, number of poverty residents
Comments			

	Maternal and child health block grants	Community service block grants	SSI
Objectives	Promote health of mothers and children, reduce infant mortality, handicaps and disease, provide quality health care to low income mothers and children	To provide range of housing, employment, nutrition, education and other services to ameliorate poverty and its causes	To assure minimum income for those 65 or over or blind or disabled
Eligible population	Mothers and children from families with incomes below federal poverty threshold	Persons and families with incomes below federal poverty guidelines	Individual or family with eligible spouse or parent
Types of service	Pre-natal and post-natal care, diagnostic treatment, immunization	Employment, training, education, counseling, placement, housing referral, foods and nutrition services, weatherization and fuel assistance, health services	Cash assistance to limits of $340 for individual and $500 for couple Annual cost of living increases
Governance/ management	Grants to states with broad discretion to design their own system and impose additional eligibility standards	Block grants to states with required suballocations to public and private local agencies, at least 90% of funds to community action agencies	Federal Social Security Admin. but 45 states add supplement for certain eligible individuals
Delivery system	States may manage program or contract with local governments or private institutions	Through local multi-service centers run by local public and private agencies	Individual files with SSA field office or through referrals from state and local welfare offices
Performance measures	Annual reports and state audits	Monitoring, evaluation and auditing	None except payment accuracy rates
FY 88 funding	$526.6 million. State matching of 3/7	$382 million allocated to states based on proportionate share of 1981 Economic Opportunity Act Funds	$12.6 billion
Comments			Complicated income exclusion rules. HHS authority to carry out special demonstration for training and transitional employment for mentally retarded and substance abusers

		financial assistance to working poor without tax liability	
Eligible population	Full and part-time students at accredited institutions with incomes insufficient to pay full costs. May receive maximum grant equal to 60% of costs of enrollment for up to 5 years	Low income workers with dependent children. 1988 earned income not exceed $18,500	Individuals from households with incomes below 70% of the lower living standard who are under 25 years, Vietnam era veterans, ex-offenders, displaced homemakers, cash welfare recipients or handicapped
Types of service	Tuition and boarding costs	Credit of 14% of first $6,080 of earned income up to $851. Reduced by amount equal to 10% or greater of adjusted income or earned income above $6,920	
Governance/ management	Grants made directly to eligible institutions or students	Internal Revenue Service	Dept. of Labor manages certification and vouchers through state Job Service offices. Internal Revenue Service issues tax credit to employers through federal income tax system
Delivery system	Through accredited educational institutions including proprietary	Through individual tax return. Receive tax rebate or payment when no tax liability	Job Services certifies eligibility and issues vouchers to employees. Summer credit limited to 85% of up to $3,000 paid to individual; year-round credit limited to 40% of up to $3,000 for each of two years with employees retained for at least 20 days or 120 working hours
Performance measures	Audits and identifiable cost rates	None	None
FY 88 funding	$4.260 billion	$3.985 billion	$210 million
Comments			Subject to abuse from lack of state or federal monitoring

Source: U.S. Office of Management and Budget

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